

10/16/15

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September 23, 2015

City Planning Commission
City of New Orleans
Attn: Executive Director
1300 Perdido St. 7th Floor
New Orleans, LA 70112

RE: Short Term Rental Study
City Council Motion M-15-391

To the Commission:

Short term rentals are purely and simply a business conducted out of a home. It does not matter if the short term renter is one person or ten, the simple fact is the receipt of money for the rendering of anything of value is a business. Wikipedia defines a business as "... trade of goods, services or both to consumers..." Merriam-Webster.com defines it as "the activity of ... providing services in exchange for money."

I am sure if you ask the average person on the street why do we have residential zoning, he/she will no doubt tell you it is to protect residential neighborhoods from business encroachment. Ask that same person why have Single Family, Two Family and Multi-Family districts, as we do in our zoning code, and he/she will no doubt also tell you it is to protect the areas involved from excessive density above that set by the zoning law.

In my single family neighborhood, and in fact within 5 houses of my house, there are three properties that have been used for short term rentals. A major problem is we have narrow streets requiring us to stagger open spaces across from parked cars, and as a result we have very limited parking. Short term renters are not provided parking spaces by the their lessors, and they overload our limited parking, park illegally anyway, and in fact in one instance caused an assault on a homeowner who complained about it. Another problem is overloading of houses with in one case 3 families and more than 15 people being crammed into a small house in our single family neighborhood. A third problem is noise and generally misbehavior. Noise, and loud and late parties have been complained

of across the city, with bachelor and bachelorette parties being the biggest culprits. We have had similar problems in our neighborhood with short term rentals.

With the precepts of 1) protecting residential neighborhoods from businesses and 2) limiting those businesses to the same density limits set out in the zoning code and 3) addressing the typical problems associated with short term rentals, in mind, this Commission should:

- A. To Protect Neighborhoods by insuring they have the right to be heard as to the imposition of these businesses on their neighborhoods and to provide them with regularly scheduled opportunities to stop such business in their neighborhoods, and to require these businesses to comply with the normal business requirements of other businesses operating in this city:
 - 1) No short term rentals should be allowed except as a conditional AND licensed use.
 - 2) No conditional use nor license should be issued or allowed except to the owner of a residence with a homestead exemption properly obtained.
 - 3) The conditional authorization for a property to have short term rental use should be limited to the term of the City Council when authorized plus six months, and must be renewed by the incoming Council or be terminated at the end of the six months.
 - 4) The zoning code should specifically say that a conditional use for short term rentals is not subject to non-conforming status for any reason.
 - 5) The zoning code should also specifically provide that on the suspension or revocation of a license to operate a short term rental business that the conditional use for that short term rentals at that property shall immediately terminate and that no appeal of such suspension or revocation shall have the effect of staying the termination of the conditional use.
 - 6) The zoning code should specifically provide that the City Council may on motion of the Council Member of the district in which a conditional use has been granted/authorized or on the motion of a Council Member At Large may vote to revoke a conditional use which shall then immediately terminate without right to appeal or be stayed.
 - 7) As other business are required to do in this city, the short term rental property should be required to provide onsite parking of one legally

conforming space per authorized bed, and the licensee should be required to require short term renters to use the onsite parking provided.

- 8) The license to operate should be issued in the name of the homeowner by the Safety and Permits Department after requiring from the homeowner the following information and limitations a) a detailed plan of the residence to be used b) a designation in the plan of the sleeping rooms and beds spaces to be allowed short term renters, c) the maximum number of short term rental occupants to be allowed d) a designation of required owner provided onsite legally sized parking spaces e) location of all required fire and safety routes, signage, etc., f) provision of a handicap bathroom for short term renters and such other handicap and safety facilities as are required for businesses by federal, state and local rules, regulations, statutes and ordinances g) proper licensing or other required compliance with the state and city revenue departments for the payment of sales and other taxes
- 9) The application for conditional use should have the information required for licensing as provided above and such other information as required by this Commission and the conditional use authorization should be limited to the uses and features so listed in the application.
- 10) Before issuance of the license the property shall be inspected by all appropriate regulatory authorities who shall verify the property's compliance with all federal, state and local rules, regulations, statutes and ordinances.
- 11) Anyone advertising or solicitation for short term rentals in this city in any medium should be required to provide in the advertising a) it's license number b) the number of beds, bedrooms and short term occupants authorized by its license c) a copy of the plan approved for the issuance of its license, d) a statement that it is against the law for more than the number of authorized occupants to inhabit the dwelling) such other information as required by the Department of Safety and Permits.
- 12) No licensee should be allowed to advertise or solicit short term rentals in this city except in mediums for hire and in such mediums which agree with the city in such form as required by the City Attorney 1) to not allow the advertisement or solicitation of short term rentals in this city except by licensees and 2) to provide on request of the Bureau of Revenue of the City of New Orleans and the Treasury Department of the State of Louisiana such information or regular reports as they may

require, and if appropriate the withholding and payment of taxes and fees from proceeds payable to such licensees.

- 13) As to a licensed and conditionally authorized property there should be a fine of \$1,000 for the first offense of violating the advertising provisions of #8 above, \$2,000 for the second such offense and suspension of license for 6 months, and \$5,000 and revocation of licenses for 3 or more such violations. Fines should become a lien on the property collectable against the property.
- 14) There should be a fine of \$10,000 for each advertisement or solicitation in any medium for short term rentals in this city without a license and conditional use authorization. The fines should become a lien on the property collectable against the property and should be a personal obligation of the every individual in any way responsible for such advertisement or solicitation.
- 15) The licensed homeowner must reside in the property and may not vacate or sleep/spend the night away from the property during a short term rental.
- 16) The licensee shall keep a Renter's Log of all short term rentals to include the name of the renter, the number and name of all short term rental occupants, the period of the rental and the license plate number and description of all vehicles of the short term occupants whether owned or rented. A copy of the log shall be delivered monthly to the Department of Safety and Permits and shall be available there for inspection by the public. An additional Revenue Log shall be maintained by the licensee with the same information and in addition the amount of all income and revenue received by the licensee for each short term renter. The Revenue Log shall also be filed monthly with both the Department of Safety and Permits and the Bureau of Revenue of this city and shall not be subject to inspection by the public.
- 17) Each licensee shall pay on time and in the form and manner as required by law, rule and/or regulation a) all state and city sales taxes, and b) the hotel/motel and other taxes paid by hotels and/or motels operating in this city, c) all other taxes, and fees applicable to their business and failure to do so on time and in the amounts required shall result in immediate suspension of their license.
- 18) The license shall be issued only on payment of a licensing fee to be set annually by the Department of Safety and Permits in consultation with the Mayor's office and other departments of the City having regulatory authority or responsibilities, in an amount as is determined to be

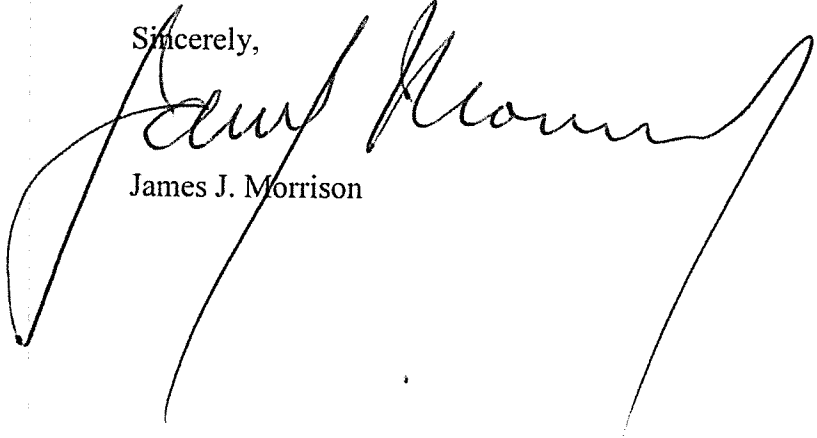
adequate to compensate the City for the expenses of regulating and supervising short term rental activities.

- 19) The license shall expire on December 31 of each year and is renewable only on a) payment of the license fee and b) proof of timely payment and reporting of all other taxes and fees.
- 20) The Department of Safety and Permits shall set up a complaint procedure for the public to file and it to resolve complaints about the violation of the rules, regulations and conditions of a license, and shall provide for the suspension and/or revocation of such license in the event of significant or repeated minor violations by the licensee.

B. To Protect Residential Neighborhoods as to their current zoning status in relation to density

- 1) No short term rentals should be allowed in areas zoned Single Family.
- 2) No short term rentals of more than a single bed room with no more than two occupants for that bedroom should be allowed in areas zoned Two Family.
- 3) In Multi-Family zoned areas the number of bedrooms allowed should not exceed the number of families allowed in the zoning area with a maximum of five bedrooms for such Multi-Family areas. No bed room shall allow more than 2 occupants of the bedroom. Beyond five bedrooms and ten occupants the property must conform to the rules, regulations and zoning required of hotels.

Sincerely,


James J. Morrison

10/16/15

**PROPOSED AMENDMENTS
TO THE
COMPREHENSIVE ZONING ORDINANCE
RELATIVE TO
PRIVATE HOME RENTALS**

Drafted and Presented by: Alliance for Neighborhood Prosperity

New/Moved Material in *italics*.
Deleted/Moved Material in ~~strikeout~~.
Comments in [brackets].

Proposed Amendments to:

NEW ORLEANS COMPREHENSIVE ZONING ORDINANCE

PROPOSED ACTION: Change “Bed and Breakfast” to the “Bed and Breakfast and Private Home Rental”; add or amend related use standards and definitions; add Temporary Private Home Rental provisions.

SPECIFIC ARTICLES TO BE AMENDED:

ARTICLE 20.3. USE STANDARDS

- I. PROPOSED ACTION – Change “Bed and Breakfast” to the “Bed and Breakfast and Private Home Rental”; add or amend related provisions.

ARTICLE 22. OFF-STREET PARKING AND LOADING

- C. PROPOSED ACTION – Change “Bed and Breakfast” to the “Bed and Breakfast and Private Home Rental” on Table 22.1.

ARTICLE 21.8. TEMPORARY USES

- C. PROPOSED ACTION – Add provisions for temporary private home rentals.

ARTICLE 26.6. DEFINITIONS

PROPOSED ACTION – Amend definitions of “Blockface” and “Short Term Rentals”; add definitions of “Guest Room,” “Primary Residence,” “Private Home Rental,” “Sleep Room,” and “Street Segment.”

ARTICLE 20.3 – USE STANDARDS

I. Bed and Breakfast and Private Home Rental

In addition to the regulations below, all bed and breakfasts and private home rentals shall comply with the regulations of the Department of Safety and Permits and the Department of Finance, Bureau of Revenue.

1. ~~Bed and Breakfast General Standards (Accessory or Principal)~~ Bed and Breakfast Standards: General

- a. In any residential district, only one (1) bed and breakfast, whether accessory or principal, is permitted per blockface.
- b. Bed and breakfasts are prohibited within the following areas:
 - i. The area bounded by the centerlines of Prytania Street, Pontchartrain Expressway, Magazine Street, and the ~~downside street~~ downtown side of Felicite Street from Coliseum Street to Magazine Street.
 - ii. The area referred to as the Garden District, bounded by St. Charles Avenue, the downtown side of Jackson Avenue, the centerline of Magazine Street, and the downtown side of Louisiana Avenue, with the exception of those bed and breakfasts grandfathered pursuant to Ordinance No. 14,168 M.C.S., November 12, 1990, subject to confirmation of continuous use and legal non-conforming status.
 - iii. In all Vieux Carre' Districts.
- c. A copy of the New Orleans Bed and Breakfast/Private Home Rental Code of Conduct shall be provided to each visiting party at or prior to the time of booking. A copy of the Code of Conduct shall be prominently posted in each guest room.
- d. The bed and breakfast operator's registration number shall be included in all ads, flyers, and listings offering the property for rent, including listings posted on Internet websites.

2. ~~Bed and Breakfast Accessory Standards~~ Bed and Breakfast Standards: Accessory

- a. Proof of owner occupancy shall be established by submission of proof of a homestead exemption submitted to the Department of Safety and Permits. The owner-occupant's ownership interest must be at least fifty percent (50%).

- b. If more than one (1) principal building exists on a lot, or two (2) or more contiguous lots have been historically acquired together and the second building was originally constructed and has been used for habitable space, as defined by the Building Code, at least five (5) years prior to the establishment of the bed and breakfast, then it may be included in the operation of the bed and breakfast.
- c. The bed and breakfast shall appear outwardly to be a single-family dwelling, giving no appearance of a business use other a permitted sign.
- d. The bed and breakfast may have one (1) attached projecting sign not to exceed four (4) square feet in area. The sign shall complement the architecture of the structure.
- e. The bed and breakfast is limited to a maximum of four (4) units for overnight accommodation.
- f. Bedroom rental units are limited to no more than twenty-five percent (25%) of the total habitable space of the gross floor area of the structure.
- g. Cooking facilities are prohibited in individual guest rooms.
- h. If meals are provided, only registered guests may be served.
- i. Leasing of a common dining area for social events is prohibited.

3. **Bed and Breakfast Principal Standards**
Bed and Breakfast Standards: Principal

- a. Proof of owner or occupier occupancy shall be established by submission of proof of a homestead exemption (owner) or legal leasing agreement (occupier) submitted to the Department of Safety and Permits.
- b. If more than one (1) principal building exists on a lot, or two (2) or more contiguous lots have been historically used together and the second building was originally constructed and has been used for habitable space, as defined by the Building Code, for at least five (5) years prior to the establishment of the bed and breakfast, then it may be included in the operation of the bed and breakfast.
- c. All signs shall comply with applicable sign regulations for the zoning district.
- d. The bed and breakfast is limited to a maximum of nine (9) units for overnight accommodation.
- e. Cooking facilities are prohibited in individual guest rooms.

- f. If the zoning district allows restaurants, meals may be served to guests other than those registered with the bed and breakfast, provided the facility meets all other applicable city and state codes for food service.
- g. Leasing of common areas for social events is allowed, provided the facility meets all applicable off-street parking requirements and complies with the noise ordinance and all other provisions of the City Code.

4. **Private Home Rental Standards: General**

- a. Subject to the following limitations, private home rentals are a permitted use in all zoning districts in which residential uses are permitted.
 - i. **[ADD DENSITY LIMITATIONS]**
- b. If one or more structures exist on one premises and/or on one or more contiguous lots that have historically been used together and/or are owned by the same owner, all may be included in the operation of a single private home rental.
- c. A copy of the New Orleans Bed and Breakfast/Private Home Rental Code of Conduct shall be provided to each visiting party at or prior to the time of booking. A copy of the Code of Conduct shall be prominently posted in each guest room.
- d. The private home rental operator's permit number shall be included in all ads, flyers, and listings offering the property for rent, including listings posted on Internet websites.
- e. The operation of a private home rental on a premises shall not prevent the operation of a restaurant on the same premises provided the zoning district allows restaurants and the facility meets all other applicable city and state codes for food service.
- f. Use of a private home rental or any portion thereof, including any common areas, for a purpose other than dwelling, lodging or sleeping, including use for weddings, corporate parties and/or other special events, is prohibited unless a) such use is allowed under applicable zoning laws, b) any and all permits required for such use are obtained, c) the premises meet all applicable off-street parking requirements, and d) there is compliance with all other provisions of the City Code, including noise ordinances.
- g. Except as otherwise provided, all signs shall comply with applicable sign regulations for the zoning district in which the private home rental is located and with the requirements of the Vieux Carré Commission or the Historic District Landmarks Commission, if applicable.

5. Private Home Rental Standards: Primary Residence - Shared Use

- a. Primary residency may be established by submission of a homestead exemption, lease, driver's license, voter registration card, income tax return, and/or other sufficient evidence.
- b. Shared cooking facilities may be provided. Cooking facilities are prohibited in individual sleeping rooms.
- c. TBD

6. Private Home Rental Standards: Primary Residence - Private Use

- a. Primary residency may be established by submission of a homestead exemption, lease, driver's license, voter registration card, income tax return, and/or other sufficient evidence.
- b. TBD

7. Private Home Rental Standards: Private Unit - Accessory

- a. If not otherwise permitted, the private home rental may have may have one (1) attached projecting sign not to exceed four (4) square feet in area. The sign shall complement the architecture of the structure.
- b. TBD

8. Private Home Rental Standards: Private Unit - Principal

- a. If not otherwise permitted, the private home rental may have may have one (1) attached projecting sign not to exceed four (4) square feet in area. The sign shall complement the architecture of the structure.
- b. TBD

ARTICLE 21.8 – TEMPORARY USES

(C) Permitted Temporary Uses

...

13. Temporary Private Home Rental

- a. Temporary private home rentals providing overnight paid accommodations for no more than sixty (60) total nights per calendar year are permitted in any zoning district. A temporary private home rental permit is required. The permit number shall be included in all ads, flyers, and listings offering the property for rent, including listings posted on Internet websites.
- b. [COMMENT – should allow online permit application and fee payment]

ARTICLE 22 – OFF-STREET PARKING AND LOADING

TABLE 22-1: OFF-STREET VEHICLE AND BICYCLE PARKING REQUIREMENTS			
		MINIMUM REQUIRED BICYCLE SPACES	
USE	MINIMUM REQUIRED VEHICLE SPACES	REQUIRED SHORT-TERM BICYCLE SPACES	PERCENTAGE OF LONG-TERM BICYCLE SPACES
<u>Bed and Breakfast and Private Home Rental</u>	1 space + 1 per 2 guest rooms	1 per 5 rooms	25%

ARTICLE 26.6 – DEFINITIONS

[in alphabetical order – includes unchanged related provisions]

Bed and Breakfast. A residential structure that provides sleeping rooms for overnight paid occupancy. Bed and breakfast is further defined as follows:

- A. **Bed and Breakfast, Accessory.** An owner-occupied building designed as either a single-family or a two-family dwelling that has been converted to a single-family dwelling, which provides no more than four (4) guest rooms for overnight paid occupancy of up to fourteen (14) nights. Common bathroom facilities may be provided rather than private baths for each room.
- B. **Bed and Breakfast, Principal.** An owner- or operator-occupied residential structure that provides no more than nine (9) guest rooms for overnight paid occupancy of up to fourteen (14) nights. Common bathroom facilities may be provided rather than private baths for each room.

Blockface. One (1) side of a given street between two (2) consecutive intersecting streets. (See Figure 26-2: Blockface). See “Street Segment.”

Dwelling. A structure, or portion of a structure, designed or used exclusively for permanent residential purposes, including single-family, two-family, townhouse, and multi-family dwellings, but not including trailers, hotels/motels, rooming houses, or automobiles.

Dwelling Unit. A room, or group of rooms, providing complete, independent living facilities, including permanent provisions for living, sleeping, eating, cooking and sanitation for one or more persons.

Guest Room. A dwelling unit, sleeping room, or suite of rooms intended for the private use of a bed and breakfast guest or private home rental lessee.

Primary Residence. The dwelling unit at which a private home rental operator ordinarily resides for at least half of each year. A private home rental operator can have only one primary residence.

Private Home Rental. A residential structure that provides guest rooms for overnight paid occupancy with a duration of less than thirty (30) consecutive days. Private home rental is further defined as follows:

- A. **Primary Residence – Shared Use.** A primary residence which is rented for shared use with the lessee and which has no more than two (2) sleeping rooms available for private home rental use. Common bathroom facilities may be provided.

- B. Primary Residence – Private Use.** A primary residence which is rented for private use by a lessee.
- C. Private Unit – Accessory.** A premises with no more than two (2) private dwelling units which are rented for private use by lessees.
- D. Private Unit – Principal.** A premises with no more than five (5) private dwelling units which are rented for private use by lessees and which has no more than nine (9) total sleeping rooms available for private home rental use.

Short Term Rentals. Rentals of a A premises or any portion thereof rented for dwelling, lodging or sleeping purposes with a duration of occupancy of less than sixty (60) consecutive days in the Vieux Carré and less than thirty (30) consecutive days outside the Vieux Carré. This definition excludes hotels, motels, bed and breakfasts, private home rentals, and other land uses explicitly defined and regulated in this ordinance ~~separately from short term rentals are not~~ considered to be short term rentals.

Sleeping Room. A bedroom or other room intended to be used for sleeping purposes, including the main room in a studio or efficiency unit.

Street Segment. The blockfaces on both sides of a given street between two (2) consecutive intersecting streets. See “Blockface.”



Alliance for Neighborhood Prosperity

Presented July 8, 2014
Updated December 17, 2014

<http://alliancenola.org/>

Who are we?

- ▶ The Alliance for Neighborhood Prosperity (ANP) is a non-profit organization of property owners, property managers, and others who support and promote responsible short-term rentals.

Mission Statement

The Alliance for Neighborhood Prosperity (ANP) is a non-profit organization of property owners, property managers, and others who support and promote responsible short-term rentals.

- ▶ **Provide** visitors with a variety of housing choices and the opportunity to experience diverse New Orleans neighborhoods
- ▶ **Preserve**, repair, and restore residential housing stock
- ▶ **Promote** economic opportunities for local neighborhoods while preserving or improving the overall quality of life.



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Neighborhood
Prosperity**

Who are we? ... in 2013

- ▶ **100,000 Visitors** to New Orleans stayed in Private Home Rentals (PHR)
- ▶ **Economic Impact of \$174.8 Million**
 - ▶ \$99.8 Million in direct spending
 - ▶ \$74.9 Million in secondary spending
- ▶ **Job Creation of 2,200** full and part-time jobs
 - ▶ \$56.1 Million in additional earnings
- ▶ **Tax Revenue of \$10.8 Million**
 - ▶ \$4.7 Million to local governments in New Orleans
 - ▶ \$6.1 Million to the State of Louisiana

The average number of people who stayed in home rentals was **3.9**, while the median was 3.0.

12% had children under 18, average number of children per party was **2**, median 1.

97.2% were in New Orleans area for vacation or pleasure.



Data Driven Decision Making



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Short-Term Rentals Vital to Vacations, Economy & Communities

1 in 5 plan to rent short-term in July & August 2013

40% attracted to the

31% like the short-term rentals

Consumers Support Fair Regulation

- families should be allowed to rent their homes occasionally
- communities passing rules and laws that restrict short-term renting
- fair and reasonable short-term rental regulations

Short-term rentals benefit travelers, short-term rental operators, local residents and communities. To learn more about advocating for fair and reasonable rules, visit www.stradvocacy.org.

Short Term Rental ADVOCACY CENTER

Short-Term Rentals = Economic Benefits

90% agree short-term rentals bring meaningful tourism and tax dollars to local communities

Yet some local governments are creating new laws restricting or outright banning any rentals less than 30 days.

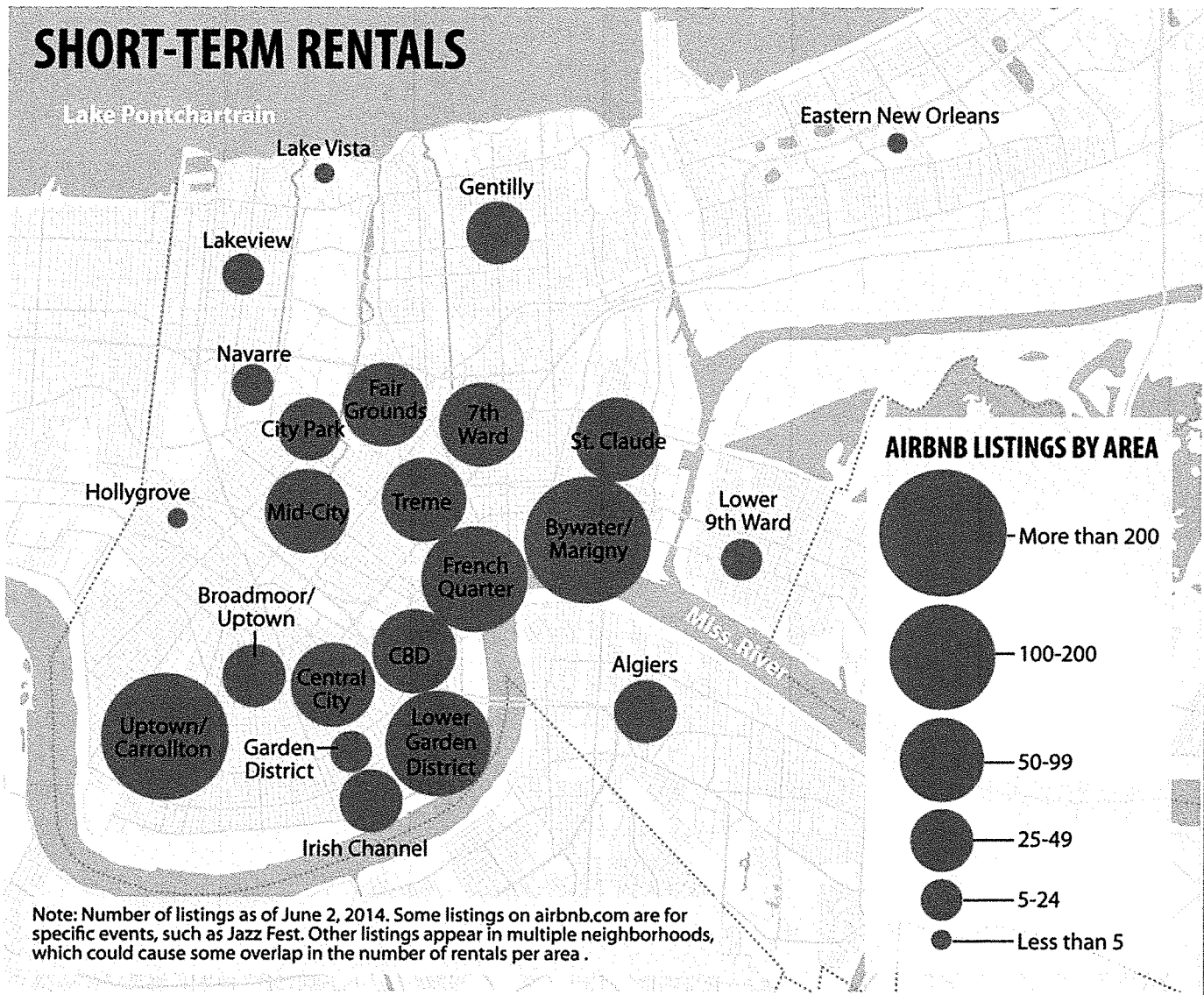
Poll Finds Americans Strongly Support Short-Term Rentals
 June 28, 2013

Short Term Rental ADVOCACY CENTER
 Promoting best practices in short term rental regulation

Our guests directly contribute to the local economy; they shop at Zara's Grocery Store on Prytania Street and Rouse's on Tchoupitoulas; they eat meals at Il Posto, Charlie's Steak House and Pascale's Mandle on Dryades Street, as well as frequenting the wide variety of food service establishments on Freret Street.

Alliance for Neighborhood Prosperity

SHORT-TERM RENTALS



Note: Number of listings as of June 2, 2014. Some listings on airbnb.com are for specific events, such as Jazz Fest. Other listings appear in multiple neighborhoods, which could cause some overlap in the number of rentals per area.

Dan Swenson, NOLA.com | The Times-Picayune

Overnight visitors to New Orleans who stayed in a private home rental spent an average of 5 nights in the area.

22,000 of the region's 38,000 rooms -- are clustered within one mile of the Ernest N. Morial Convention Center





...and spend more

Airbnb guests

\$978

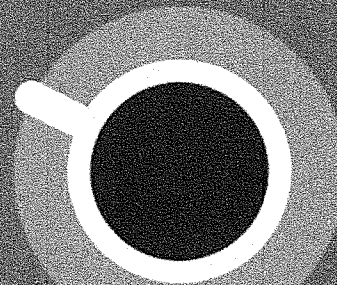
spending per trip

Typical tourists

\$669

spending per trip

New Orleans visitors spent an average of **\$993** during their trip.



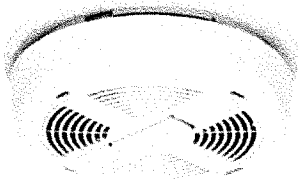
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What are the issues?

Visitor Safety Concerns: ANP Supports



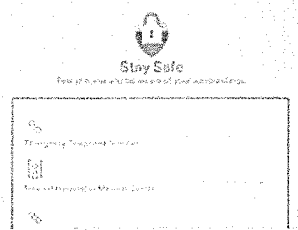
Free Smoke & CO Detector

Any host with an active listing in the US can get a self contained, battery powered smoke & CO detector for free during 2014.

We're preparing your order now!

Need to edit your shipping address?

Eligible US hosts. Restrictions apply. *



Emergency Safety Card

Inform your guests with a convenient safety card. List emergency numbers, exit routes, and other resources.

We're preparing your order now!

Need to edit your shipping address?

Eligible US hosts. Restrictions apply. *



Home First Aid Kit

Free for the first 10,000 hosts! 85 piece or similar kit with dressings, scissors, and other accessories.

We're preparing your order now!

Need to edit your shipping address?

Eligible US hosts. Restrictions apply. *

- ▶ Reasonable minimum safety standards for all short-term rentals, including B&Bs.
- ▶ Licensing/registration of short-term rentals and requiring that the license/registration number be placed on all listings offering such properties for rent.



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Unfair Competition: ANP Supports Regulation

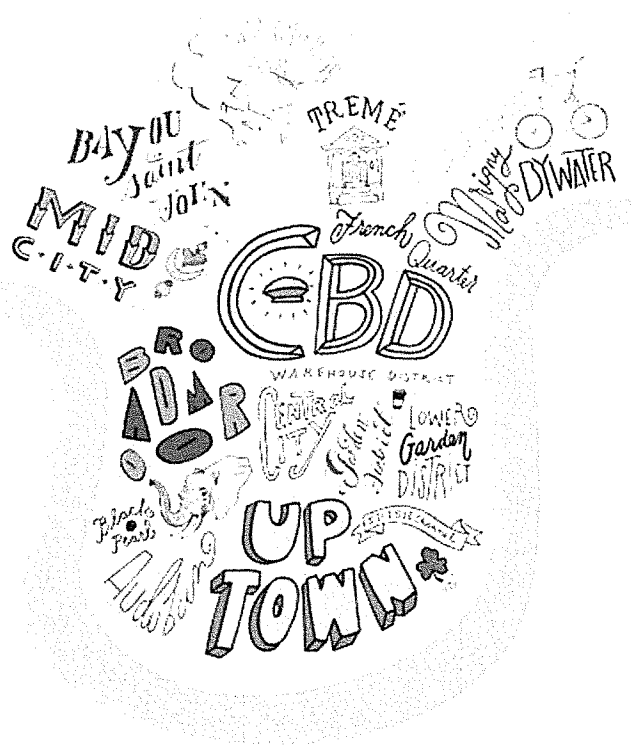
- ▶ Allegations that **short-term rentals have an unfair competitive advantage** over traditional B&Bs because they are not licensed and regulated are legitimate.
- ▶ **Solution is to license/register and regulate** all short-term rentals, including traditional B&Bs, in a fair, reasonable, and equitable manner

Charming Historic Home added to our great trip to NOLA: Fun trip to NOLA with brother and sister-in-law. We are from Hot Springs Village, AR and they are from Albany, NY. Staying in such an historic "shot gun" home added to the allure of the city.



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Quality of Life - Specific Issues: ANP Supports



- ▶ Tenants should receive a **“Code of Conduct”** or other guide notifying them of noise, parking, and/or other ordinances or restrictions they will be expected and required to follow.
- ▶ Owners and/or property managers should be available to respond to problems and address them promptly.

ILLUSTRATION BY ASHLEE ARCENEUX PHOTOGRAPHED BY JEFFERY JOHNSTON

International visitors

accounted for **18.0%** of the total number of respondents who stayed in private home rentals.



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Quality of Life - General Issues: ANP Rejects

- ▶ Unsupported assertions that short-term rentals are the sole, primary, or even a substantial cause of many of the issues, problems, and/or changes that have affected various New Orleans neighborhoods in recent years.
- ▶ For example: Rising property values and rental rates

In 2013, **New Orleans' population grew 2.4 percent** compared to .5 percent growth in the suburbs, making the city among the 19 cities of the 51 largest metro areas to expand faster than the outlying suburbs, according to the report. -By Katherine Sayre, NOLA.com | The Times-Picayune

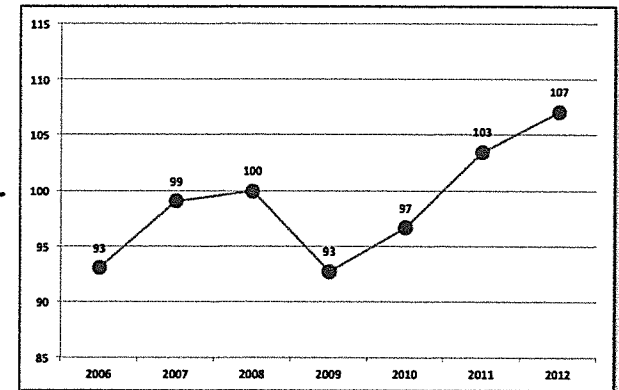
Introducing the “REGI”

GNO, Inc.'s Regional Economic Growth Index

13 Indicators

1. Jobs
2. GDP
3. Construction Permits
4. Export Value
5. Sales Tax Collections
6. Population
7. Home Affordability
8. % > 25 with H.S. Diploma
9. Violent Crime Rate
10. Percent in Poverty
11. Pay Gap
12. Value of VC Deals
13. Share of STEM Jobs

REGI 2006 - 2012



Quality of Life - Personal Issues: ANP Rejects

- ▶ While some owners and residents want to know all of their neighbors and/or lament the changes in their neighborhoods, other owners and residents enjoy meeting short-term visitors and acting as **good will ambassadors for the City.**

NEW ORLEANS, Dec. 13, 2013 /PRNewswire/ -- *National Geographic Traveler* presents New Orleans as one of the 21 must-see destinations in the world for 2014

Age groups:

50-64 years
old (40.9%)

35-49 years
old (23.4%)

25-34 years
old (22.5%)



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Prosperity**

Absentee Owners: ANP Rejects

- ▶ The argument that short-term rentals that are owner- or operator-occupied (including traditional B&Bs) are inherently different from those which are not owner- or operator-occupied.
- ▶ The owners and operators of *all* short-term rentals (including traditional B&Bs) and their tenants should be responsible and accountable to each other, to neighbors, and to neighborhoods.

82% share only the home in which they live, nearly half said the extra income helped them stay in their homes; half are "moderate to low income" owners and three out of four are "outside the main hotel districts" of cities (AirBNB)

45.1% of private home rental respondents earned a household income between **\$75,000 and \$149,999**

6.8% earned \$200,000 and above. Among the lower brackets, only 7.0% had an annual income less than \$25,000



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Length of Stay: ANP Rejects

- ▶ Rental periods of less than 30 days (60 days in the French Quarter) are inherently different from longer rental periods.

The issue is not the length of stay, but the behavior of the owners and tenants.

- ▶ Complaints of loud parties, illegal parking, and other problems are not limited to short-term rental properties and are regulated by other ordinances. Chronic violations can be addressed through enforcement of reasonable short-term rental regulations

During 2013, the majority of visitors to the New Orleans area arrived by airplane (61.4%) or in their personal vehicle (34.2%).



**Alliance for
Neighborhood
Prosperity**

Enforcement: ANP Supports

- ▶ Reasonable regulations and subjecting chronic violators to possible non-renewal and/or revocation of licenses/registrations.

Administrative and Enforcement Costs

- ▶ - The ANP believes administrative and enforcement costs can be funded with licensing/registration fees.

Satisfaction levels
with New Orleans as a
destination among private
rental home visitors:

**76% indicated they
would be *very likely***
to recommend New
Orleans as a destination to
their friends and family.

**21% indicated they
would be *likely*** to
recommend the city.



**Alliance for
Neighborhood
Prosperity**

Visitors

- ▶ As New Orleans is a prime visitor destination, consideration should be given to the wants, needs, and desires of our “customers” and “clients.”
- ▶ Tourists, visitors coming for special events (Jazz Fest, graduations, weddings), business travelers (job applicants, people seeking to permanently relocate, movie industry workers and performers), and visitors for other reasons (transplant patients, adoptive parents).



In his recent 'State of the City' address, New Orleans Mayor Mitch Landrieu said he sees tourism growing to 13 million visitors per year by the city's 300th anniversary in 2018.

*The Most Wonderful Thanksgiving Ever 2014
The House is exquisite, capturing the true flavor of historic and revitalized New Orleans. Three of us -- dad, stepmom and grandmother -- stayed very comfortably in the house and enjoyed visits from our local and out-of-town family, old and new friends. Everyone pitched in and we hosted a beautiful Thanksgiving Day celebration., utilizing every inch of the house and the beautiful deck and serene backyard. Thank you for opening your home to us, we return next year and definitely want to call this House our home.*



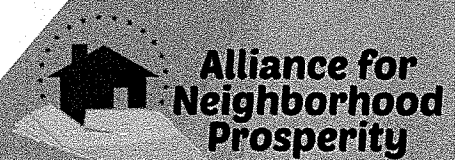
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Alliance for Neighborhood Prosperity

Solution - Driven Policymaking

<http://alliancenola.org/>



PUBLIC COMMENTS and PRESS RELEASE

To: New Orleans City Planning Commission/All Media
From: Alliance for Neighborhood Prosperity
Subject: ANP Responds to “Inside Airbnb” and New Orleans Short Term Rental Report (NOSTRR) Website Data and Addresses Other Issues Relative to the Legalization and Regulation of Private Home Rentals
Date: September 30, 2015

The Alliance for Neighborhood Prosperity (ANP) supports a data-driven decision making process in determining the best way to legalize and regulate private home rentals, often referred to as “short term rentals.” ANP appreciates the efforts of Murray Cox, who recently published data relative to private home rentals in New Orleans at Inside Airbnb (insideairbnb.com) and efforts of Andru Okun, Breonne DeDecker and Darin Acosta who developed the New Orleans Short Term Rental Report (NOSTRR) website (nolarentalreport.com).

The Inside Airbnb data and the economic impact study commissioned by ANP (prepared by the UNO Hospitality Research Center) probably contain the best specific data presently available. This data along with generally available census and other demographic data provide insight into the issues relative to private home rentals.

ANP’s conclusion is that the Inside Airbnb and NOSTRR data do not disclose any significant problems in New Orleans that would support a principled opposition to the legalization and regulation of private home rentals with bad operators being held accountable.

Summary of Findings and Positions

- The Inside Airbnb and NOSTRR Data are Biased and Flawed.
 - Murray Cox, who compiled the Inside Airbnb data is biased against private home rentals.
 - While Cox attempts to be fair, he demonstrated his bias by rejecting data provided by Airbnb’s CEO, asserting that he was an “unreliable source.”
 - Andru Okun, Breonne DeDecker and Darin Acosta, who compiled the NOSTRR data and report make no effort to hide their biases and offer conclusions that are nothing more than hypotheses which are not supported by the data.
- Numerous Factors Other Than Private Home Rentals Are Responsible for Higher Rents.
 - Higher property insurance premiums – premiums have gone up as a result of Katrina and increased property values.
 - Higher storm deductibles – with a five percent storm deductible, the owner of an average-priced \$340,000 home in New Orleans must pay the first \$17,000 of damage.

- Higher property taxes – A \$100,000 increase in appraised valuation would increase 2015 taxes by almost \$1,500 a year or \$125 a month.
- Limited space for large projects – New Orleans does not have enough large parcels of available land where new rental units can be built in numbers sufficient to increase the supply and at a cost low enough to allow owners to charge below current market rents.
- The increase in the number of single-person households – Consistent with a national trend, the number of single-person households in New Orleans increased from 33 percent in 2000 to 42 percent in 2013. Absent this change, there might be nearly 7,000 additional rental units.
- Fewer persons per household – According to 2010 census data, “The CBD, French Quarter, Marigny, Touro, Lower Garden District, Garden District, and Black Pearl all have average household sizes of less than 1.85.” That is approximately 20 percent less than the average household of 2.32 persons. This is likely related to the increase in single-person households. For every 5,000 households, those neighborhoods have nearly 2,400 fewer residents, most of whom would be renters.
- Converting doubles to singles – Converting doubles into single family homes often results in the loss of two long term rental units.
- New Orleans has a very high percentage of renters – 53 percent of New Orleans households rent compared to 33 percent statewide. More renters, especially renters who want to live alone, increases demand and puts upward pressure on rents.
- New Orleans has 3,300 fewer public housing units since Katrina.
- Banning or Reducing the Number of Private Home Rentals in Order to Stabilize or Reduce Rents Will Be Ineffective and Counterproductive.
 - Private home rentals of entire homes or apartments account for less than two percent of New Orleans rental units.
 - Non-owner-occupied units account for less than one percent of New Orleans rental units.
 - ANP members who operate non-owner-occupied private home rental are ready, willing and able to come into compliance as soon as private home rentals become legal. Excluding them will decrease potential revenue.
 - Many private home rentals will not be converted to long rentals, including vacation home and second homes that will be left unrented, converted to legal medium term rentals of more than 30 days, or sold.
 - If owner-occupied private home rentals are made legal, only non-owner occupied private home rentals will *possibly* be converted to long term rentals. Their numbers will be insufficient to increase supply enough to lower or stabilize rents and many will charge market or higher than market rents.
- Private Home Rentals Help *Lessen* Housing Cost Burdens for Owners and Renters.
 - As of 2013, 37 percent of renters in New Orleans had “severe housing cost

- burdens,” an increase from 24 percent in 2004.
 - High housing costs burdens also affect 16% of property owners
 - Private home rentals allow some owners to make ends meet.
 - Some private home rental operators use the added revenue to keep rents low for long term tenants.
 - Private home rentals allow some tenants to sublease to make ends meet.
 - Private home rentals did not cause affordable housing problems in New Orleans. Banning or substantially reducing their current numbers will not solve the problem.
 - For many property owners and renters, private home rentals are the solution to high housing costs.
- Private Hotels Are Not Taking over the City.
 - While Inside Airbnb does not show the exact locations of rentals, it does not appear that any host is operating five or more units on one premises.
 - Only 11 hosts offer more than five entire homes or apartments for rent.
 - It does not appear that anyone in the French Quarter, the Bywater, or the Marigny is operating more than two private home rentals on the same premises and no host in the Garden District has more than one listing.
 - The largest single operator is in the Central Business District, which is not a residential district and where short term rentals are currently a conditional use.
 - Private home rentals are not a commercial use. Short term rentals and bed and breakfasts are residential uses under the current Comprehensive Zoning Ordinance.
 - Current law allows B&Bs to have up to nine guest rooms at a single location.
- Private Home Rentals Are Not Destroying the Quality of Life in New Orleans Neighborhoods
 - The rise in single person households and the decline in households with families and children have lowered population density in some of the most popular neighborhoods.
 - The reason people don’t know their neighbors is because there are fewer neighbors to know.
 - Private home rentals help replace revenue lost through decreased density.
 - There is no right to know your neighbor.
 - There is no right to tell your neighbor what he/she can do with their property.
 - It is very unneighborly to harass private home rental operators and tenants.
 - Most of the complaints about “quality of life” relate to personal desires and preferences rather than broader societal concerns. The French Quarter, the Marigny and the Garden District are neighborhoods, not co-ops, condominiums, or gated communities. As CM Stacy Head recently said, “A feeling of irritation is not a harm.”

- The Real Problem Is a Few Bad Operators, Not Absentee Owners.
 - Most complaints about private home rentals are about the fact that they are operating illegally, not that they are being operated badly.
 - The fact that a private home rental is not owner- or operator-occupied does not mean the operator will be a bad operator and/or unresponsive to problems any more than the fact that a private home rental is owner- or operator-occupied means the operator will be a good operator and promptly respond to problems.
 - Banning all non-owner-occupied private home rentals because of a few bad operators discriminates against the vast majority who are good operators.

- The City Needs *More* Private Home Rentals to Help it Meet its Goal of 13 Million Visitors in 2018.
 - To meet its goal, the City needs to be able to house an additional 9,500 visitors per day.
 - The City will need 13,000 to 20,000 new hotel rooms or housing units to meet the demand.
 - The City has less than 38,000 hotel rooms.
 - New hotels are not being built fast enough to meet the demand.
 - Private home rentals are increasing demand rather than taking business away from hotels.
 - Legalizing and regulating private home rentals is good for New Orleans.

Bias and the Inside Airbnb and NOSTRR Methodologies

While the Inside Airbnb data may be the best data currently available, Cox' obvious personal bias against private home rentals and an apparently related flaw in his methodology must be pointed out. While his personal views should not necessarily affect the data or his methodology, Cox appears to have let his bias affect his methodology in calculating occupancy rate, total bookings, and revenue. Cox estimates occupancy rates based on the number of reviews posted. He assumes that 50 percent of all guests post reviews and uses this rate to estimate total bookings and revenue. While the use of review rates is not necessarily unreasonable, Cox' use of the 50 percent review rate has no factual support. While Cox acknowledges that Airbnb CEO Brian Chesky stated that Airbnb has a 72 percent review rate, he rejects that rate, calling Chesky an "unreliable source."¹ If Cox believes Chesky is providing false data, he needs to back up his claim with evidence. If Airbnb's 72 percent review rate is accurate, Inside Airbnb is probably overestimating bookings and revenue earned by private home rental operators by more than 40 percent. That is not an acceptable margin of error.²

¹<http://insideairbnb.com/about.html>. (The Occupancy Model)

²In a comment posted on June 23, 2015, "The Insomniac" says their private home rental is incorrectly described as a "full house" rental instead of one room and that their income is

Cox also asserts/assumes that the short term rental laws that many private home rental operators are violating were “designed to protect residential housing.” This is false. The current short term rental laws were designed to protect hotels and bed and breakfasts from competition. While bed and breakfasts which pay fees and taxes that private home rental operators do not pay have a legitimate complaint that private home rental operators currently have an unfair advantage, the solution is to allow B&Bs and private home rentals to compete on the same level playing field and to pay the same fees and taxes.

The NOSTRR authors make no effort to hide their bias against private home rentals and no effort to support their conclusions with facts and data. The mere fact that rents have increased as the number of PHRs has increased does not mean PHRs are responsible for the rent increases. Correlation is not causation.

The Inside Airbnb and NOSTRR Data Do Not Support the Argument That Private Home Rentals Cause Higher Rents.

InsideAirbnb.com and NOSTRR have asserted that private home rentals are responsible for higher rents in New Orleans and/or a decrease in affordable housing.

By their own counts, there are between 2,000 and 2,500 private home rentals in New Orleans. That’s about three percent (3%) of New Orleans’ approximately 80,000 rental housing units. Assuming the numbers are accurate, is that enough to have a significant effect on rents?

Rather than attempt to answer the question, InsideAirbnb and NOSTRR rely on anecdotes, assumptions, and untested hypotheses. Without supporting data, their “conclusions” are nothing more than assertions and opinions.

The fact that rents and the number of private home rentals have both increased in recent years does not support the conclusion that private home rentals have *caused* rents to increase. As Massachusetts Institute of Technology professor and real estate economist Albert Saiz said in a recent Times-Picayune/NOLA.com article, correlation is not causation. While private home rentals *can* result in a decreased supply and *theoretically* contribute to higher housing costs, Saiz said, “It just doesn't appear that there's any evidence Airbnb is driving prices.”³

As rents have been going up since before the relatively recent increases in the number of private home rentals, the logical starting hypothesis should be that other factors are responsible for higher rents and that enforcing the current ban on private home rentals is unlikely to have any

estimated at \$2,500/month when it is actually \$50 to \$100 per month on average.
http://www.nola.com/politics/index.ssf/2015/06/authorized_web_scrape_purpor.html

³http://www.nola.com/politics/index.ssf/2015/09/mit_professor_skeptical_of_air.html

significant effect on rents.

So why have rents been going up? While some of those factors are well known, others may come as a surprise to both supporters and opponents of private home rentals. There are two types of factors: cost-related and supply and demand related.

Cost Related Factors

High Property Insurance Premiums and Storm Deductibles– One of the most significant factors is higher property insurance premiums combined with less actual coverage due to higher storm deductibles. Since Katrina, the average home price in New Orleans has increased by 46 percent to almost \$340,000,⁴ resulting in higher coverage amounts and higher premiums. Higher storm deductibles mean property owners have to self insure for most storm damage. With an average-priced home and a five percent storm deductible, the owner pays the first \$17,000 of damage. As many if not most claims will be for less than that amount, many New Orleans property owners will find themselves completely uninsured for storm damage except in the case of a truly catastrophic loss. Higher premiums and the risk of large uninsured losses must be passed on to tenants.

Higher Property Taxes – As property values have increased, so have property taxes. A \$50,000 increase in appraised value will increase 2015 taxes by almost \$750 a year or more than a \$60 a month.⁵

Supply and Demand Factors

Limited Space for Large Projects – New Orleans once supported nearly twice its current population and can again support that number (and more). While singles, doubles, small multi-unit buildings are being built and/or renovated, the pace and volume are insufficient to significantly affect rents. In order to stabilize and/or reduce rents, new rental units must be built in numbers sufficient to increase the supply substantially and at a cost low enough to allow owners to charge below current market rents.⁶

⁴http://www.nola.com/business/index.ssf/2015/08/new_orleans_home_prices_up_46.html

⁵While property reassessments are supposed to be revenue neutral and the City is required to “roll back” tax rates, the City has the power to – and often does – “roll forward” tax rates to obtain a tax increase not approved by voters. See http://www.nola.com/politics/index.ssf/2012/08/new_orleans_agencies_could_poc.html

⁶These are essentially the same points made in a recent New York Times Op-Ed piece and followup reporting in the Times-Picayune. <http://www.nytimes.com/roomfordebate/2015/06/16/san-francisco-and-new-york-weigh-airbnbs-effect-on-rent/cities-must-add-to-the-affordable-rental-supply>;

While the precise relationship between renovation/construction costs and rents is not known, it is likely that higher costs contribute to higher rents *and* that higher rents help make the cost of building or renovating smaller units economically viable. But a mere increase in supply will not result in lower rents unless the costs of construction/ renovation are reduced. To significantly affect rents, the number of new rental units added to the market must be large and the rents charged for each new unit must be low. This is most easily accomplished in large scale projects that require large parcels of land and/or multi-story high density projects. Unfortunately, there are few suitable large parcels of land for new construction. Multi-story high-density projects are allowed in only a few zoning districts, often face opposition, and typically offer relatively few new units that will be considered affordable housing.

High Percentage of Renters – 53 percent of New Orleans households rent compared to 33 percent statewide. This means New Orleans need approximately 30,000 more rental units that it would need if it had the average percentage of renters.

The Increase in the Number of Single-Person Households – Consistent with a national trend, the number of single-person households in New Orleans increased from 33 percent in 2000 to 42 percent in 2013 – a nine percentage point increase.⁷ Since New Orleans had about 148,000 total households in 2013,⁸ approximately 62,000 households have only one member.⁹ If the percentage was the same as in 2000, more than 13,000 more housing units would be on the market, nearly 7,000 of which should be rental units.

Fewer Persons Per Household in “The Sliver by the River” – According to 2010 census data, “The CBD, French Quarter, Marigny, Touro, Lower Garden District, Garden District, and Black Pearl all have average household sizes of less than 1.85.”¹⁰ That is approximately 20 percent less

http://www.nola.com/politics/index.ssf/2015/07/airbnb_isnt_helping_but_nimbys_1.html. In those articles, it is suggested that part of the solution is to allow more multi-story buildings and greater population densities, a solution many neighborhood advocates oppose.

⁷<http://www.datacenterresearch.org/data-resources/who-lives-in-new-orleans-now>

⁸<http://quickfacts.census.gov/qfd/states/22/2255000.html>

⁹<http://housingperspectives.blogspot.com/2015/05/the-rise-of-single-person-household.html>.

¹⁰http://www.datacenterresearch.org/reports_analysis/average-household-size-and-group-quarters. In the French Quarter, the average household is 1.44 people. In the Marigny, it is 1.57. In the Lower Garden District, it is 1.64.
http://www.datacenterresearch.org/reports_analysis/average-household-size-and-group-quarters/ (chart near bottom)

than the average household size of 2.32 persons.¹¹ For every 5,000 households, those neighborhoods have nearly 2,400 fewer residents, most of whom would have been renters. With the exception of Garden District, less than 35 percent of the households in those neighborhoods are “family households” (people related by birth, marriage, or adoption).¹²

These figures suggest that the number of single-person households in those neighborhoods may be substantially *higher* than 42 percent, possibly reaching 50 percent or even the two-thirds level found in some Manhattan and Washington, DC neighborhoods.¹³ It appears that the most popular private home rental neighborhoods are also the neighborhoods that have lost the most rental units due to owners and renters choosing to live alone. In neighborhoods which have a higher percentage of under-45 renters, the loss of rental units will be even greater.¹⁴

Converting Doubles to Singles – It is not uncommon for renovators to convert doubles into single family homes. When this happens, the result will often be the loss of *two* long term rental units. In contrast, private home rental operators who renovate vacant and/or blighted properties are *adding* housing stock. While many of the new units will be private home rentals, some will be owner-occupied units (which increase the housing stock available for long term rental) and some may be long term rental units.

Less Public Housing – While the Housing Authority of New Orleans serves 5,000 more families now that it did before Katrina, New Orleans has 3,300 *fewer* public housing units.¹⁵ Unlike private home rentals, few of which were “affordable housing” before they became private home rentals,

¹¹<http://quickfacts.census.gov/qfd/states/22/2255000.html>

¹²CBD-23.3%, French Quarter-20.8%, Marigny-19.0%, Touro-27.3%, Lower Garden District-25.9%, Garden District-41.4%, Black Pearl-34.2%.
<http://www.datacenterresearch.org/data-resources/neighborhood-data/>

¹³<http://housingperspectives.blogspot.com/2015/05/the-rise-of-single-person-household.html>. In a recent New York Times Op-Ed piece, it is suggested that cities focus on allowing and encouraging the sharing of excess space with roommates rather than tourists.
<http://www.nytimes.com/roomfordebate/2015/06/16/san-francisco-and-new-york-weigh-airbnbs-effect-on-rent/encourage-the-use-of-extra-space-for-roommates>

¹⁴While approximately 45 percent of single-person households are renters, two-thirds of under-45 single-person households are renters.
<http://housingperspectives.blogspot.com/2015/05/the-rise-of-single-person-household.html>

¹⁵http://www.nola.com/katrina/index.ssf/2015/08/new_orleans_public_housing_dem.html

New Orleans is Not San Francisco or New York – At the September 29, 2015 City Planning Commission Special Meeting, Carol Gniady of French Quarter Citizens cited a study which said short term rentals have caused rents to increase between \$19 and \$76 per month in San Francisco. Ms. Gniady failed to mention that the study, conducted by University of British Columbia professor Thomas Davidoff, as reported in the Wall Street Journal,¹⁶ found that the increase in New York City was only between \$6 and \$24 per month and that the higher numbers for both cities assumed that *all* listings represented units removed from the housing stock (even though many units were shared by the host and guest).

While Davidoff's findings indicate that private home rentals may have a slight effect on rents, New Orleans is neither San Francisco nor New York. Both, both of which are much larger than New Orleans had have dramatically different housing situations and issues. Moreover, Davidoff indicated that the higher rent effects are generally localized in the more popular neighborhoods: "It's not an affordability issue. It's a luxury neighborhood issue or a bohemian neighborhood issue."

Conclusion – Consistent with the opinions of Prof. Saiz and Prof. Davidoff, the factors discussed above and the supporting data indicate that rents, both generally and in the most popular private home rental neighborhoods, have *not* gone up because of private home rentals and/or that any increase that might be attributable to private home rentals is very modest.

While high rents and affordable housing are legitimate concerns the City Council may want to address, private home rentals are not the cause of those problems.

Banning or Reducing the Number of Private Home Rentals in Order to Stabilize or Reduce Rents Will be Ineffective and Counterproductive.

Even if private home rentals were having a substantial effect on rents, which is denied, it is difficult to see how limiting private home rentals is likely to slow or reverse those effects. First, it is unlikely that a full ban would be or could be enforced. Second, enforcing a full ban would cost the City money in two ways; a) enforcement costs; and b) lost revenue from permitting fees and taxes from legal private home rentals. Third, a partial ban, e.g., on non-owner-occupied private home rentals, is unlikely to have any effect given the numbers of units and the fact that many will not be converted to long-term rentals.

¹⁶<http://blogs.wsj.com/developments/2015/03/30/airbnb-pushes-up-apartment-rents-slightly-study-says/>

Private Home Rentals of Entire Homes or Apartments Account for less than Two Percent of New Orleans Long Term Housing Stock – At the time of the 2010 census, there were approximately 190,000 housing units in New Orleans.¹⁷ With a home ownership rate of 47.3 percent, New Orleans’ rental housing stock is approximately 100,000 units.¹⁸ According to Inside Airbnb, there are 2,614 private home rentals. Of these, only 1,764 are entire homes or apartments. That is 1.7 percent of the total rental housing stock. But that is not the number that might be converted to long term rentals.

Many Private Home Rentals Never Were and/or Never Will Be Long Term Rentals – Most vacation homes and second homes (which were not previously long term rentals) will be left unrented, converted to legal medium term rentals of more than 30 days, or sold. Some operators will convert their units to medium term furnished rentals, which are currently legal.¹⁹ While some operators who renovated vacant and/or blighted properties may convert them to long term rentals, they are not even theoretically responsible for higher rents. If the City legalizes the use of accessory units to owner-occupied properties as private home rentals, an idea with widespread support, those accessory units will not be converted to long term rentals.

Inside Airbnb shows 1,764 private home rentals of entire homes or apartments. Only 738 are by hosts with multiple listings. After excluding vacation and second homes, units converted to medium term rentals, and accessory units likely to become legal, it is doubtful even 1,000 units could potentially become available as long term rentals. Increasing the rental housing stock by one percent is unlikely to stabilize rents, much less decrease them. The primary effects of excluding 40 percent of the current private home rental units will be discrimination against a subclass of private home rental operators and a loss of potential revenue for the City. If the City wants to take action to lower rents, enforcing the current ban or excluding some current private home rental operators is not the answer.

The primary focus of a private home rental ordinance should be on registration, regulation, responsibility, and revenue. Registration and regulation protect the City, property owners, neighbors, and tenants. Revenue ensures the resources for enforcement to make sure owners and tenants act responsibly and are held accountable if they don’t.

¹⁷<http://quickfacts.census.gov/qfd/states/22/2255000.html>.

¹⁸<http://quickfacts.census.gov/qfd/states/22/2255000.html>

¹⁹As legal medium term rentals, they will not be subject to regulation, registration, and/or other fees and/or charges. The City will not get new revenue, and the properties will not be added to the long term rental stock.

Private Home Rentals Help *Lessen* Housing Cost Burdens for Owners and Renters.

ANP understands that high rents and affordable housing are serious problems in New Orleans. As of 2013, 37 percent of renters in New Orleans had “severe housing cost burdens,” meaning more than 50 percent of household income went to housing costs. For renters, this is an increase from 24 percent in 2004.²⁰ High housing costs burdens also affect 16 percent of property owners.

Consider the situation of Louis Maistros, a local author, artist, musician, and photographer who spoke at the September 29 Special Meeting and said he uses private home rental income to make ends meet, to put his child through college, and to be able to *not* raise the rent for his long term tenant:

“We have always struggled to make ends meet. Our property taxes skyrocketed after Katrina, as did our homeowner's insurance. We got screwed by our insurance company and ripped off by shady contractors, just like you. We have lived in fear of losing our home time and again. Our own long term tenant, a senior citizen who has lived in our house for eighteen years, is only able to stay in the neighborhood because we have not raised his rent in ten years. With the new expense of our first child in college, keeping his rent low should not be possible.”

“The reason it's possible is because three years ago we discovered Airbnb. The short term rental business is what we use to keep ourselves and our long term tenant from being gentrified out of our own home. We are not a rare case. Many short term renters are very much like us. And in three years we have never received a complaint from our neighbors because, as it turns out, it is really not that hard to be a good neighbor and a good host at the same time.”²¹

While affordable housing is a serious problem in New Orleans, private home rentals did not cause the problem. For many property owners and renters, private home rentals are the solution, not the problem.

As the opponents of private home rentals, including Murray Cox and NOSTRR, have presented no evidence that establishes a clear causal link between private home rentals and high rents, the City Council should take no action relative to private home rentals based on a hope, purpose, or intention of stabilizing or reducing rents.

²⁰<http://www.datacenterresearch.org/data-resources/who-lives-in-new-orleans-now/#housing-costs-and-affordability,-housing-stock,-and-commuting>.

²¹Issues relative to gentrification in the Bywater, the Irish Channel, and other neighborhoods are too complex to discuss here. As gentrification has been an issue in neighborhoods around the world for centuries, it cannot be said that private home rentals are the cause of gentrification or that banning or limiting them will not stop gentrification. <https://en.wikipedia.org/wiki/Gentrification>.

“Private Hotels” Are Not Taking over the City.

The often stated claims that private home rentals are “hotels” and that “private hoteliers” are taking over the City’s residential neighborhood are completely unsupported. Inside Airbnb data indicate that only 20 hosts offer more than five rooms/units. Of those, only 11 are renting entire homes or apartments. The 97 units those 11 hosts offer are less than four percent of all rooms/units available and less six percent of all private units available. More important, the units listed by hosts are not all located on the same premises. While Inside Airbnb does not show the exact locations of rentals, it does not appear that any host is operating a “hotel” with five or more units on one premises.

The largest single operator is “Jordan” who has 23 units located in various parts of the Central Business District. While “Jordan” may be managing a lot of private home rentals, he is not running a “hotel.” (Nor is it clear why there should be restrictions on private home rentals in the CBD and/or other non-residential areas.)

The second largest operator is “Samuel” who has ten units in the French Quarter. As those ten units appear to be in ten different locations, Samuel is not running a “hotel.” While many people consider the French Quarter a special case and there are a number of small hotels in the French Quarter, only four private home rental operators in the French Quarter offer more than four private units. It does not appear that anyone in the French Quarter is operating more than two private home rentals on the same premises (except, possibly, “Jeremy” and “Hosteeva”).

The third largest operator is “Lisa” who has nine units located primarily in the Treme, Marigny and Bywater neighborhoods.

According to Inside Airbnb’s data, the top hosts in the Garden District have only one listing. The top host in the Bywater has only three listings. The only neighborhoods with any hosts who list more than four units are the CBD with “Jordan,” the French Quarter (four operators with ten, eight, six, and six units), Leonidas (one operator with six units) and Central City (one operator with five units). It does not appear that anyone in those neighborhoods is operating more than two private home rentals on the same premises.

The Inside Airbnb data does not support the conclusion that even *one* host is operating anything that resembles a “private hotel.” While bed and breakfasts are not considered hotels, current law allows B&Bs to have up to nine guest rooms at a single location.²²

²²Many opponents of private home rentals claim to be supporters of bed and breakfasts. They have also claimed to be concerned that illegal short term rentals were depriving the City of \$1.4 million in taxes and licensing fees. http://www.nola.com/politics/index.ssf/2013/03/new_orleans_residents_slam_ill.html. Both claims are false and disingenuous. What they are really supporting is an outdated law and the continuation of an onerous, expensive, time consuming, and archaic process that makes it very

While many private home rentals are operated like businesses, operating a private home rental is not a “commercial” use. Under the Comprehensive Zoning Ordinance, short term rentals – like bed and breakfasts, day care homes, and group homes – are residential uses. Private home rentals are little more than modern versions of traditional B&Bs.

Private Home Rentals are Not Destroying the Quality of Life in New Orleans Neighborhoods.

ANP does not deny that many New Orleans neighborhoods are changing and that changes have effects. While many people consider the revitalization of the Irish Channel, the Bywater, and other neighborhoods (including Central City) to be a good thing, improving neighborhoods can also have negative effects. While some consider the appearance of private home rentals as a negative, their appearance in these neighborhoods is primarily a *result* of the improvements and increasing popularity of those neighborhoods, not a *cause* of the changes some lament.

While “quality of life” means different things to different people, ANP submits that the increase in single-person households, lower population densities and a high proportion of renters are having a much more profound effect on neighborhoods, rents, and the quality of life than the appearance or disappearance of private home rentals ever could. To those who complain that they don’t know their neighbors anymore, the demographic data suggest that the main reason is they don’t have as many neighbors.²³ With fewer families and children and with half or more of the households having only one person, neighborhood dynamics can change dramatically.²⁴

As the popular neighborhoods by the river have the *lowest* household sizes, they should be able

difficult to obtain a bed and breakfast license. Until the recent enactment of the new Comprehensive Zoning Ordinance, B&B operators were not even allowed to offer kitchen facilities. While some private home rental operators have attempted to get B&B licenses, removing a kitchen was not a realistic option. If the opponents’ actual objective was to increase revenue for the City, the logical position would be for them to *support* the legalization, regulation, and taxation of private home rentals.

²³How many of the opponents of private home rentals who complain about a loss or change in the “quality of life” in their neighborhoods live in single-person households? How many converted a double into a single (or bought a converted double)? How many have rental units they rent to single persons instead of couples or roommates? In other words, how many private home rental opponents are causing their own problems?

²⁴There is no right to know one’s neighbors or to have permanent neighbors or to have a “Cheers”-like bar “where everybody knows your name.” People change, times change, and neighborhoods change. There is no right to pick your neighbors or to have only good neighbors or to make them conform to your vision of what you want your neighborhood to be like.

to support *more* private home rentals. While some residents complain that local restaurants and bars are filled with tourists, it's not clear why this is bad. It is unlikely that the restaurants and bars are complaining. It is more likely that the "tourists" are helping those businesses offset losses from the population shifts. While there are insufficient data to reach a conclusion, ANP suspects that the visitors who stay at a specific private home rental over the course of a year will spend more money in the local neighborhood than a long term tenant in the same property would have spent.²⁵

Many of the most vocal opponents of private home rentals are the neighborhood associations which claim to represent the French Quarter, the Fauborg Marigny, and other neighborhoods.²⁶ What they seem to oppose most is change. While private home rental tenants may be different, that does not make them bad or undesirable. In fact, many residents enjoy meeting and talking with visitors from other states and countries and being "good will ambassadors" for the City of New Orleans.

While opponents of private home rentals often complain about parking, they provide no evidence of an actual problem. In most neighborhoods, especially those with a lower than average population density and/or more single-person households, parking should be less of a problem. While some visitors may occasionally bring several vehicles, most take cabs or rent only one vehicle. The net result should be more parking spaces available most of the time.

²⁵While ANP's economic impact study does not indicate how much is spent in the local neighborhoods, it does show average visitor spending of \$665 on restaurants/meals, bars and nightclubs, recreation and entertainment, and shopping. ANP Economic Impact Study at 17.

²⁶Whether they actually represent the views and interests of the property owners, residents, and businesses of the neighborhoods they claim to represent is questionable, if not doubtful. In March 2015, the Times-Picayune reported the results of a poll paid for by HomeAway (which operates VRBO, an online vacation rental listing site). The poll found that two-thirds of New Orleans residents support registering, legalizing, and regulating short term rentals, even though some people think they are bad for neighborhoods. http://www.nola.com/politics/index.ssf/2015/03/legalizing_short-term_rentals.html. As it is highly improbable that the views of the residents of French Quarter and the Fauborg Marigny differ significantly from those of the voters who were polled, ANP suspects that the views presented by the neighborhood associations are the views of the officers and board members of those associations and of a vocal minority of residents who oppose private home rentals for personal reasons. Rather than actually poll their residents, the neighborhood associations rely on anecdotes and "horror stories" about bachelor parties, loud music, people jumping out of windows onto mattresses, and other activities that are already prohibited by other ordinances. In light of the actual data, their opposition, however sincere, seems based largely on fear of change, false assumptions, and/or a desire to impose their personal views of an ideal neighborhood on all of their neighbors.

Most of the complaints about “quality of life” relate to personal desires and preferences rather than broader societal concerns. The French Quarter, the Marigny and the Garden District are *neighborhoods*. They are not co-ops, condominiums, or gated communities with strict rules and regulations. Neighbors are generally allowed to live their lives as they choose and do what they want with their properties, even if it sometimes bothers their neighbors. As CM Stacy Head recently said, “A feeling of irritation is not a harm.”

The City Needs More Private Home Rentals (Legal and Regulated) to Achieve its Goal of 13 Million Visitors in 2018.

Banning or seriously limiting private home rentals will adversely affect the City of New Orleans’ tourism industry and make it more difficult to achieve the Mayor’s goal of welcoming 13 million visitors a year by 2018.²⁷ According to the Economic Impact Study commissioned by ANP, approximately 100,000 visitors stayed in private home rentals in 2013, generating a total economic impact of nearly \$175 million. Nearly \$100 million was direct spending. The average stay was five nights and the average number of people per accommodation was 3.9.²⁸ The numbers for 2014 and 2015 will likely be higher.

The mayor’s goal of 13 million visitors in 2018 will mean an average increase of about 9,500 more visitors *per day* over the 9.52 million visitors New Orleans had in 2014 (who spent \$6.81 billion).²⁹ With an average stay of 4.1 nights and 3 visitors per accommodation, New Orleans appears to need at least 13,000 more housing units.³⁰ When periods of very high demand are considered, 15,000 to 20,000 more units may be needed. New Orleans currently has 277 hotels

²⁷<http://www.nola.gov/mayor/press-releases/2013/20130312-new-orleans-achieves-9-01-million-visitor/>

²⁸ANP Economic Impact Study at 1.

²⁹<http://www.neworleanscvb.com/articles/index.cfm?action=view&articleID=9241&menuID=1602>

³⁰While the average length of stay is five nights at private home rentals, the average for the City is 4.1.
<http://www.neworleanscvb.com/articles/index.cfm?action=view&articleID=9241§ionID=48>
While ANP was unable to determine the average number of persons per hotel room, few hotel rooms can sleep more than four people and there are many single business travelers. ANP estimates the average is three, though the number is likely less. 9,500 per day times 4.1 nights is 38,950 more people who need accommodations each day. Divide by 3 visitors per accommodation and the number of added accommodations per day is 12,983.

and 37,844 hotel rooms.³¹ Can the hotel industry meet the increased demand? According to the *2014 HVS Greater New Orleans Lodging Report*,³² fifteen hotel projects in the developmental pipeline were expected to add 2,393 rooms by 2016. Less than 1,500 are in New Orleans and several hundred appear to already be included in the 37,844 figure. Even if New Orleans added 1,000 new hotel rooms a year, the hotel industry would still be unable to meet the demand.

This is especially true since much of the increased demand will come from visitors do not want to stay in hotels.³³

If New Orleans wants to meet its goal of 13 million visitors in 2018, it will need *more* private home rentals, not less. While private home rentals need to be legalized and regulated, they are an important part of the New Orleans economy that should be embraced rather than vilified.³⁴

³¹<http://www.neworleanscvb.com/press-media/press-kit/whats-new/>

³²<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0CDUQFjAD&url=http%3A%2F%2Fwww.hvs.com%2FJump%2F%3F%3D3605.pdf%26c%3D7065%26rt%3D2&ei=TXeVVYLUAYrvtQWikrLgBw&usg=AFQjCNFDsFaOLNXAj6zyS9jGFRTHW HGWCA>.

³³As a general rule, hotels and B&Bs are neither family friendly nor group friendly and do not allow private meal preparation. Nor are hotels in direct competition with private home rentals. In a recent New York Times article, executives of Choice Hotels International and InterContinental Hotels Groups Owners Associations were quoted as saying they did not see Airbnb as a threat, as a competitor, or as affecting their sales. Ian Carter, president of development for the Hilton hotel chain, was quoted as saying, "Our belief is that lodging rental websites are stimulating demand, rather than displacing existing demand." http://www.nytimes.com/2015/05/12/business/airbnb-grows-to-a-million-rooms-and-hotel-rivals-are-quiet-for-now.html?_r=0.

³⁴While ANP supports Council President Stacy Head's recent suggestion that private home rental operators should receive incentives to renovate blighted properties, the ability to operate a private home rental should not be conditioned on having renovated a blighted property. If the City wants to encourage people to return blighted or abandoned property to commerce, incentives should be available to everyone. While appropriate incentives might include a property tax abatement for a number of years (currently available only for historic restorations) and an automatic waiver of code enforcement liens, ANP believe the issue of such incentives is best addressed separately from any private home rental ordinance. While such measures may help New Orleans address its blighted property problems, more is required to address the City's visitor housing shortage.

Conclusion

As the foregoing analysis shows, there is no clear evidence that private home rentals have caused rents to increase or that banning or limiting private home rentals will stabilize or reduce rents. While many neighborhoods have experienced substantial change in the past five or ten years, there are many causes other than private home rentals. Of particular importance are increases in property insurance costs, property taxes, the number of single person households, and the percentage of renters.

The opponents of private home rentals are free to believe private home rentals have caused rents to go up, have caused parking problems, have caused gentrification in their neighborhoods, have caused families to move away, and/or are responsible for anything and everything they wish was different in their neighborhoods.

But the data do not support those beliefs.

Legitimate concerns about excessive noise and parties are already regulated by other ordinances. Complaints about the City's inability to enforce current ordinances make no sense. Lack of enforcement is generally the result of a lack of will and/or a lack of means. With private home rentals, it appears to be both.

Private home rentals should be legalized and regulated in substantially the same manner as bed and breakfasts. Operators should be required to register their private home rentals, to obey reasonable rules and regulations, to be accountable for violations of those rules and regulations by themselves and their tenants, and to pay reasonable registration fees, taxes, and/or other charges.

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Private Home Rentals

Visitor Survey Results and Economic Impact Analysis 2013

Prepared for

Alliance for Neighborhood Prosperity

by



THE UNIVERSITY *of*
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RESEARCH CENTER

Defining Tourism Opportunities

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Executive Summary

Residency Questions

- International visitors accounted for 18.0% of the total number of respondents who stayed in private home rentals.
- The majority of international respondents came from Canada (53.4%), followed by Australia (15.9%) and the United Kingdom (10.2%).
- International respondents entered the United States mostly through New Orleans (16.7%), followed by Houston (14.4%). Atlanta, Los Angeles and New York were also mentioned as cities of entrance by 8.9% of the respondents.
- Domestic visitation was originated mostly from Texas (12.3%), California (10.7%), and Louisiana, outside the metropolitan area (5.6%).

Stay-Specific Questions

- During 2013, visitors who chose to rent a private home came to New Orleans mostly in April (18.1%), February (13.5%) and October (12.3%).
- About half (51.4%) of respondents reported that this was their first visit to New Orleans.
- Overnight visitors to New Orleans who stayed in a private home rental spent an average of 5 nights in the area.
- In 2013, the average nightly rate reported by visitors was \$168, while the median was \$141.
- The average number of people who stayed in home rentals was 3.9, while the median was 3.0.
- Visitors had an average travel party size of 3.8 people.
- The average number of adults per party was 3.5, while the median was 3.0.
- About 12% of all visitor parties had children under 18 accompanying them on their trip to New Orleans.
- The average number of children per party was about 2, while the median was one child.
- Nearly all (97.2%) visitors surveyed were in the New Orleans area for vacation or pleasure purposes.

- Less than half (40.0%) of business and convention visitors who stayed in private home rentals reported attending activities at the New Orleans Morial Convention Center.
- About 80% of business and convention visitors extended their stay in the New Orleans area for pleasure.
- Private home rental visitors who came for business or convention purposes and extended their stay for pleasure spent an average of 3.8 additional nights in the New Orleans area.
- Cruise visitors comprised about 1.3% of the total number of visitor responses. These visitors stayed in the New Orleans area for an average of 4.6 nights before or after their cruise.
- Visitors to the New Orleans area who stayed in private home rentals spent an average of \$993 during their trip to the city. The largest proportion of visitor trip expenditures was for meals (\$282), followed by lodging (\$254).
- During 2013, the majority of visitors to the New Orleans area arrived by airplane (61.4%) or in their personal vehicle (34.2%).
- 37.2% of visitors indicated that they just knew about New Orleans when asked about their primary source of information used in making their decision to come to the area. Other sources included the internet (25.9%), friends (16.5%) and family (9.2%).

Activity/Satisfaction Questions

- Satisfaction levels with New Orleans as a destination among private rental home visitors was strong. About 76% of them indicated they would be *very likely* to recommend New Orleans as a destination to their friends and family. Another 21% indicated they would be *likely* to recommend the city.
- 98.9% of visitors reported visiting the French Quarter, while 84.6% went specifically to Bourbon Street. 86.0% of respondents reported eating in casual dining restaurants.
- The travel behavior of visitors traveling with and without children in their party can vary widely, depending on the activity. As expected, the Aquarium, Zoo and Insectarium were much more likely to be attended by parties traveling with children than those without.
- First time visitors were more likely than repeat visitors to participate in those activities that are considered typical "tourist" activities, such as visiting the French Quarter, Bourbon Street, Canal Street, French Market and various other tourist attractions.

Demographic Questions

- In 2013, the majority of private home rental visitors to New Orleans were either married or living with their partners (73.4%).
- 18.9% of visitors surveyed reported having children under 18 living in their household.
- About 18% of all respondents were retired.
- In 2013, 8.0% of all respondents were students.
- The most frequent age group among respondents was 50-64 years old (40.9%), followed by 35-49 years old (23.4%) and 25-34 years old (22.5%).
- In 2013, almost half (45.1%) of private home rental respondents earned a household income between \$75,000 and \$149,999, while 6.8% earned \$200,000 and above. Among the lower brackets, only 7.0% had an annual income less than \$25,000.

Importance/Performance Indicators

- The top five important attributes for ANY city visit were *variety of things to see and do, good food, personal safety, unique, and friendly people.*
- The largest negative variance “gaps” between importance and performance are for *personal safety, cleanliness and good value.*

Economic Impact

In 2013, approximately 100,000 visitors to the New Orleans area stayed in private home rentals. These visitors made a substantial contribution to the New Orleans metro area economy. They generated a total economic impact of \$174.8 million, comprised of \$99.8 million in direct spending and \$74.9 million in secondary spending. Visitor spending also resulted in the creation or support of nearly 2,200 full-and part-time jobs. These jobs are expected to create a total of \$56.1 million in additional earnings for residents of the New Orleans area.

Visitor spending is also estimated to generate a total of \$10.8 million in tax revenue for state and local governments. Of that total, roughly \$6.1 million will go to the State of Louisiana, and \$4.7 million will be claimed by local governments in the New Orleans area.

Introduction

Representatives from Alliance for Neighborhood Prosperity contacted the Hospitality Research Center at the University of New Orleans to provide them with information about visitors to the New Orleans metro area who stayed in private home rentals during 2013. The purpose of this report is to provide a thorough profile and economic impact analysis of visitors who stayed in these accommodations. The analysis of the visitor profile survey follows. Throughout the report, totals in some of the tables may not add up due to rounding. A description of the economic impact is presented in a separate section.

Methodology

This report presents results based on data collected by HRC to prepare the *2013 New Orleans Area Visitor Profile* for the New Orleans Convention and Visitors Bureau (NOCVB) and New Orleans Tourism Marketing Corporation (NOTMC). The HRC analyzed the complete data set and selected only information for visitors who stayed overnight in the New Orleans metro area in a paid accommodation defined as a private home rental. It is important to note that respondents self-select their accommodation category. The selected data contained information used to determine visitor characteristics and total visitation in the New Orleans area during the last calendar year.

Survey Instrument

The survey instruments developed by HRC, with input from NOCVB and NOTMC, consisted in electronic and paper surveys. The online survey was posted on Qualtrics.com, while paper surveys were used to intercept visitors at festivals and other events. Other non-visitor surveys, including hotelier and Visiting Friends and Relatives (VFR), were also part of the analysis.

Data Collection

This report presents the results of data collected during 2013. The online survey was sent to a database of email addresses collected throughout the year. These email addresses belonged to people who had inquired for information about New Orleans at the NOCVB and NOTMC, and from visitors who provided their contact information when intercepted by a group of surveyors representing the HRC at different locations throughout New Orleans. The intercept locations included the Airport, Aquarium/Insectarium, Bourbon Street, Convention Center, French Market, Garden District, Jackson Square, Riverwalk, Museum District and Canal Street. It is important to note that the Riverwalk was closed during part of 2013 due to renovations. During this period, surveyors collected the remaining addresses among other locations. Visitors were sent the survey electronically after they returned home, and were only emailed once. Visitors

who inquired for information about New Orleans were surveyed quarterly, while visitors who were intercepted were surveyed every month. The online surveys remained active until January 24th, 2014.

In an effort to balance any biases inherent in an online collection methodology (such as low responses rate for certain groups), additional sources of data available to the HRC were used. The additional sources include intercept survey data collected during 2013 at sporting events and festivals, intercept data from the WWII Museum, data purchased from TNS email panel, the VFR phone survey to residents, and a separate hotelier survey. The hotel survey was administered to New Orleans hoteliers to determine an accurate mix of hotel visitors to New Orleans. In addition, visitors who were intercepted for their email addresses were asked some basic information about purpose of their visit and lodging arrangements, even if they did not provide an email address. External information, including Smith Travel Research and other travel statistics, was also collected and included as part of the analysis.

Data Analysis

The surveys were downloaded from the host site and merged with comparable data from intercept surveys. When data were selected for visitors who stayed in private home rentals, a total of **242** usable responses comprised the final data set. The total number of observations includes both national and international visitation.

The *total number of visitors* who stayed in private home rentals was estimated based on survey results along with the total number of people who visited New Orleans in 2013. The total number of visitors to the New Orleans area was determined using Smith Travel Research data, online surveys results, TNS, VFR survey, hotelier survey, and DBER intercept data from festivals, sporting events and the WWII Museum.

In an effort to correct for any biases contained in the various data sets, the data were then weighted to the proper mix of visitors, as determined by the results of the hotelier survey, the VFR survey, intercept visitor characteristics, travel and hotel statistics, gambling indicators, historical data, and other relevant tourism information. Staff from the HRC edited the data for accuracy and logical consistency. Statistical software was then used to analyze the information collected from visitor surveys.

Total primary *visitor spending* was determined using the average trip spending per person along with total visitation. Average individual expenditures of the New Orleans area visitors were determined based on responses obtained through all visitor survey data sources, except for data from WWII Museum, which does not collect spending figures. These figures can then be multiplied by the number of visitors obtained from the previously defined methodological steps to determine the total impact of tourism activity in the New Orleans area.

Visitor Profile

Residency Questions

Do you live in the U.S.?

Table 1: *International* Respondents

Response	Valid Percent
Yes	82.0
No	18.0
Total	100.0

- International visitors accounted for 18.0% of the total number of respondents who stayed in private home rentals.

What country are you from?

Table 2: Country of Residence of *International* Respondents

Response	Valid Percent
Canada	53.4
Australia	15.9
United Kingdom	10.2
France	4.5
Turkey	4.5
Germany	3.4
Ireland	3.4
Denmark	2.3
Mexico	2.3
Total*	100.0

**Caution should be used when interpreting these results as the survey was not offered in different languages. Results are based on a small number of responses.*

- The majority of international respondents came from Canada (53.4%), followed by Australia (15.9%) and the United Kingdom (10.2%).

Which city did you enter the U.S. through?

Table 3: U.S. City of Entrance for *International* Respondents

Response	Valid Percent
New Orleans, LA	16.7
Houston, TX	14.4
Atlanta, GA	8.9
Los Angeles, CA	8.9
New York, NY	8.9
Dallas, TX	6.7
San Francisco	4.4
Washington DC	4.4
Boston (MA)	3.3
Philadelphia, PA	3.3
Other	20.0
Total*	100.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- International respondents entered the United States mostly through New Orleans (16.7%), followed by Houston (14.4%). Atlanta, Los Angeles and New York were also mentioned as cities of entrance by 8.9% of the respondents.

What is your home Zip Code?

Zip codes were identified with state of residence as follows:

Table 4: State of Residence of Domestic Visitors

Response	Valid Percent
Texas	12.3
California	10.7
Louisiana	5.6
Illinois	4.7
North Carolina	4.5
Maryland	4.2
Oregon	4.2
New York	3.9
Pennsylvania	3.9
Ohio	3.6
Georgia	3.6
Wisconsin	3.2
New Jersey	2.9
Connecticut	2.9
Florida	2.9
Washington	2.9
Massachusetts	2.6
Alabama	1.9
Mississippi	1.9
Other	17.6
Total*	100.0

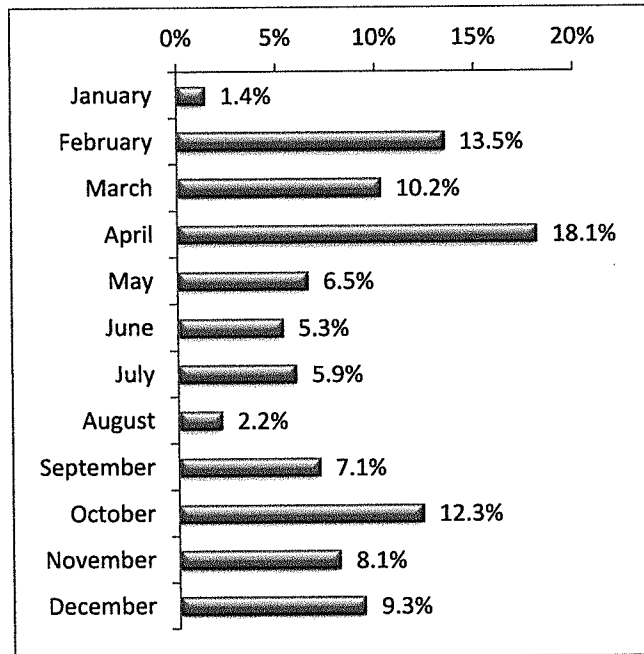
**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- Domestic visitation was originated mostly from Texas (12.3%), California (10.7%), and Louisiana, outside the metropolitan area (5.6%).

Stay-Specific Questions

When did you visit New Orleans?

Figure 1: Month of Visit



- During 2013, visitors who chose to rent a private home came to New Orleans mostly in April (18.1%), February (13.5%) and October (12.3%).

Was this your first visit to New Orleans?

Table 5: First Visit to New Orleans

Response	Valid Percent
Yes	51.4
No	48.6
Total	100.0

- About half (51.4%) of respondents reported that this was their first visit to New Orleans.

How many nights did you spend in New Orleans?

Table 6: Number of Nights in New Orleans

Year	Average Number of Nights	Median Number of Nights
2013	5.0	5.0

- Overnight visitors to New Orleans who stayed in a private home rental spent an average of 5 nights in the area.

What was your nightly rate?

Table 7: Nightly Rate

Year	Average Nightly Rate	Median Nightly Rate
2013	\$168.26	\$140.95

- In 2013, the average nightly rate reported by visitors was \$168, while the median was \$141.

How many people stayed in your accommodation, including yourself?

Table 8: Number of People per Accommodation

Year	Average Number of People	Median Number of People
2013	3.9	3.0

- The average number of people who stayed in home rentals was 3.9, while the median was 3.0.

Including yourself, how many people were in your travel party?

Table 9: Travel Party Size

Year	Average Party Size	Median Party Size
2013	3.8	3.0

- Visitors had an average travel party size of 3.8 people.

How many people in your travel party were adults (ages 18 and over)?

Table 10: Number of Adults per Travel Party

Year	Average Number of Adults	Median Number of Adults
2013	3.5	3.0

- The average number of adults per party was 3.5, while the median was 3.0.

Did your travel party bring children under the age of 18 to New Orleans?

Table 11: Visitors with Children in Their Travel Party

Response	Valid Percent
Yes	12.1
No	87.9
Total	100.0

- About 12% of all visitor parties had children under 18 accompanying them on their trip to New Orleans.

If your travel party brought children, how many of them were under the age of 18?

Table 12: Number of Children per Travel Party

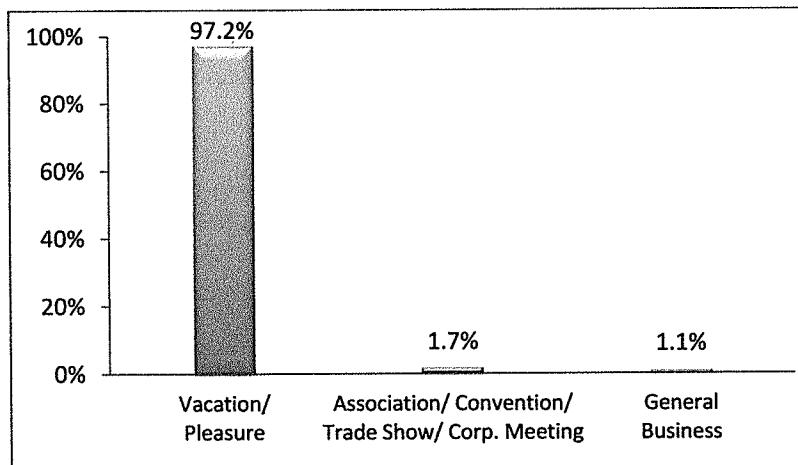
Year	Average Number of Children	Median Number of Children
2013*	2.2	1.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- The average number of children per party was about 2, while the median was one child.

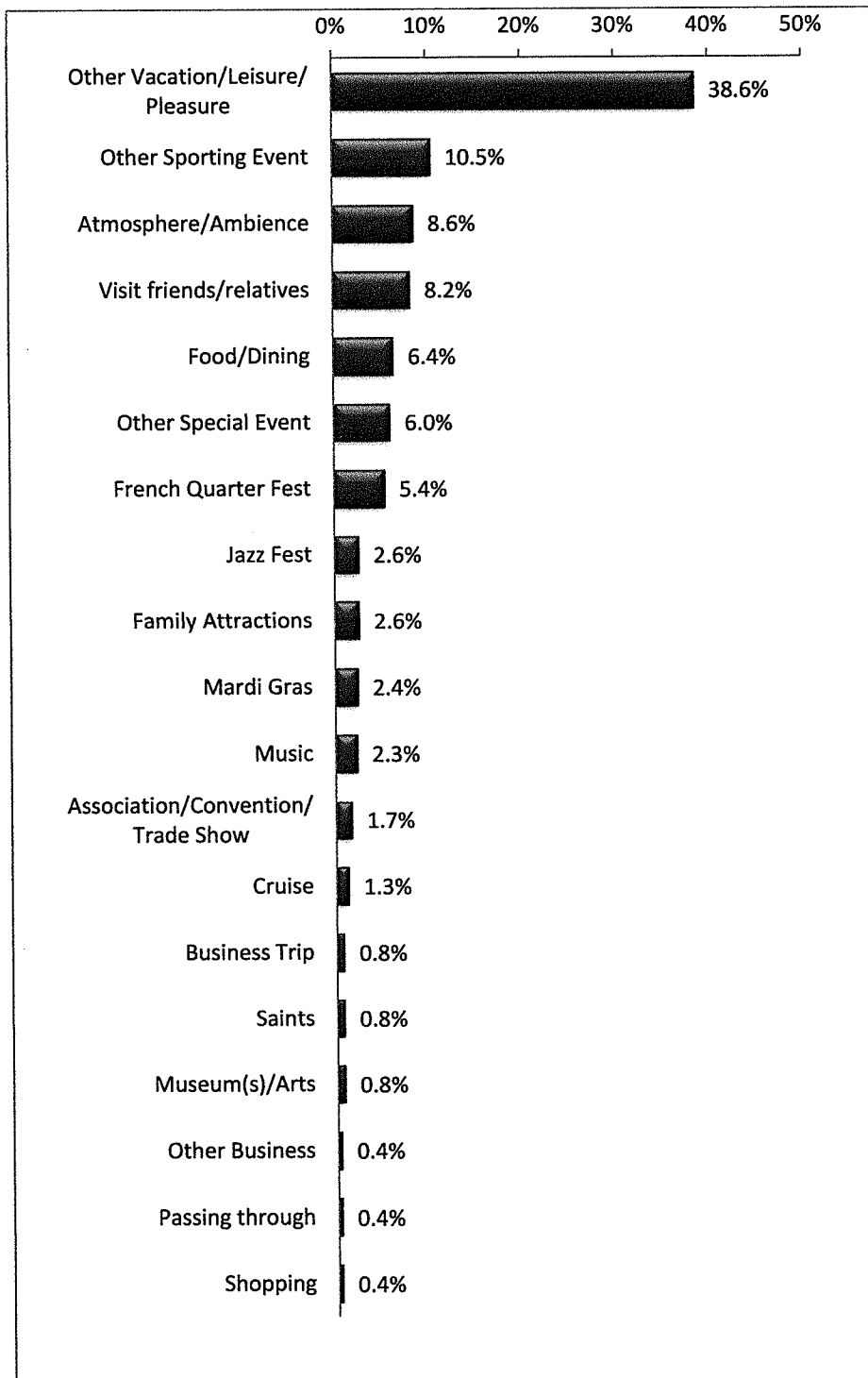
What was the primary purpose of your visit?

Figure 2: Primary Purpose of Visit



- Nearly all (97.2%) visitors surveyed were in the New Orleans area for vacation or pleasure purposes.

Figure 3: Primary Purpose of Visit (Expanded)



Did your business trip include activities at the New Orleans Morial Convention Center?

Table 13: New Orleans Morial Convention Center Visitation

Response	Valid Percent
Yes	40.0
No	60.0
Total*	100.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- Less than half (40.0%) of business and convention visitors who stayed in private home rentals reported attending activities at the New Orleans Morial Convention Center.
- This question includes any person who indicated their primary purpose is for association, convention, trade show, corporate meeting or general business. Respondents self-select their own business category.

Did you extend your business trip to stay for pleasure?

Table 14: Visitors Who Extended Their Trip for Pleasure

Response	Valid Percent
Yes	80.1
No	19.9
Total*	100.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- About 80% of business and convention visitors extended their stay in the New Orleans area for pleasure.
- This question includes any person who indicated their primary purpose is for association, convention, trade show, corporate meeting or general business. Respondents self-select their own business category.

If you extended your business or convention trip to stay for pleasure, by how many nights did you extend it?

Table 15: Number of Nights Trips Were Extended for Pleasure

Year	Average Number of Nights	Median Number of Nights
2013*	3.8	4.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- Private home rental visitors who came for business or convention purposes and extended their stay for pleasure spent an average of 3.8 additional nights in the New Orleans area.

How many nights did you spend in New Orleans before or after your cruise?

Table 16: Number of Nights in New Orleans Before or After a Cruise

Year	Average Number of Nights	Median Number of Nights
2013*	4.6	5.0

**Caution should be used when interpreting these numbers, as they are based on a small number of responses.*

- Cruise visitors comprised about 1.3% of the total number of visitor responses. These visitors stayed in the New Orleans area for an average of 4.6 nights before or after their cruise.

How much money did you personally spend in total in the New Orleans Metro Area during your visit?

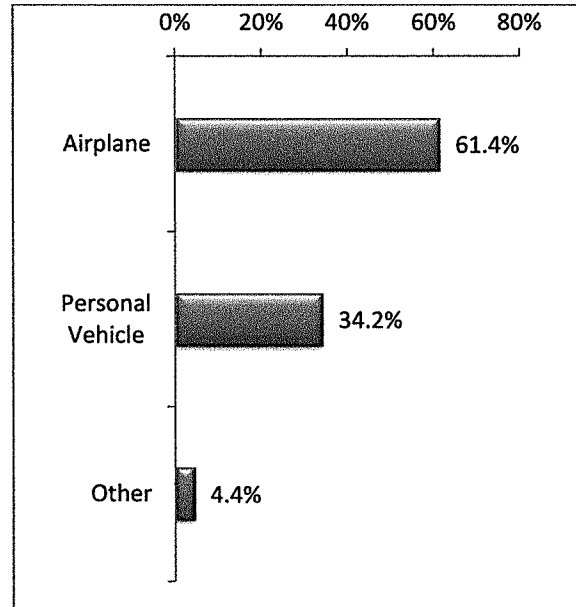
Table 17: Average Individual Visitor Trip Expenditures

Response	Average Expenditure
Restaurants/Meals	\$282
Bars and Nightclubs	\$104
Recreation and Entertainment	\$117
Shopping	\$162
Local Transportation	\$51
Gambling	\$23
Lodging	\$254
Total	\$993

- Visitors to the New Orleans area who stayed in private home rentals spent an average of \$993 during their trip to the city. The largest proportion of visitor trip expenditures was for meals (\$282), followed by lodging (\$254).

What was your primary method of travel to the New Orleans area?

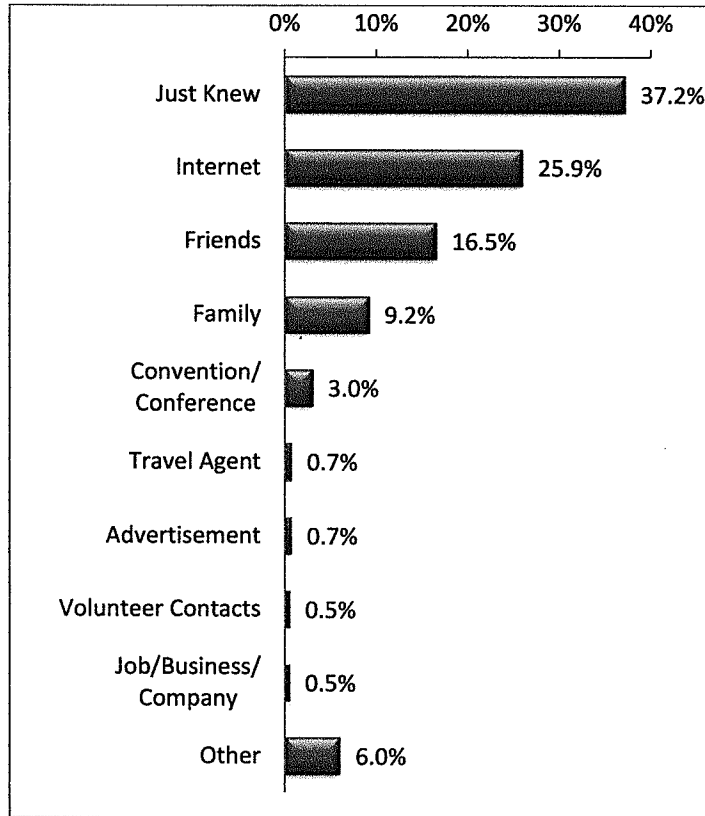
Figure 4: Primary Method of Travel to New Orleans



- During 2013, the majority of visitors to the New Orleans area arrived by airplane (61.4%) or in their personal vehicle (34.2%).

What was the primary source of information you used in making the decision to come to New Orleans?

Figure 5: Primary Source of Information



- 37.2% of visitors indicated that they just knew about New Orleans when asked about their primary source of information used in making their decision to come to the area. Other sources included the internet (25.9%), friends (16.5%) and family (9.2%).

Activity/Satisfaction Questions

How likely would you be to recommend New Orleans as a destination to your friends and family?

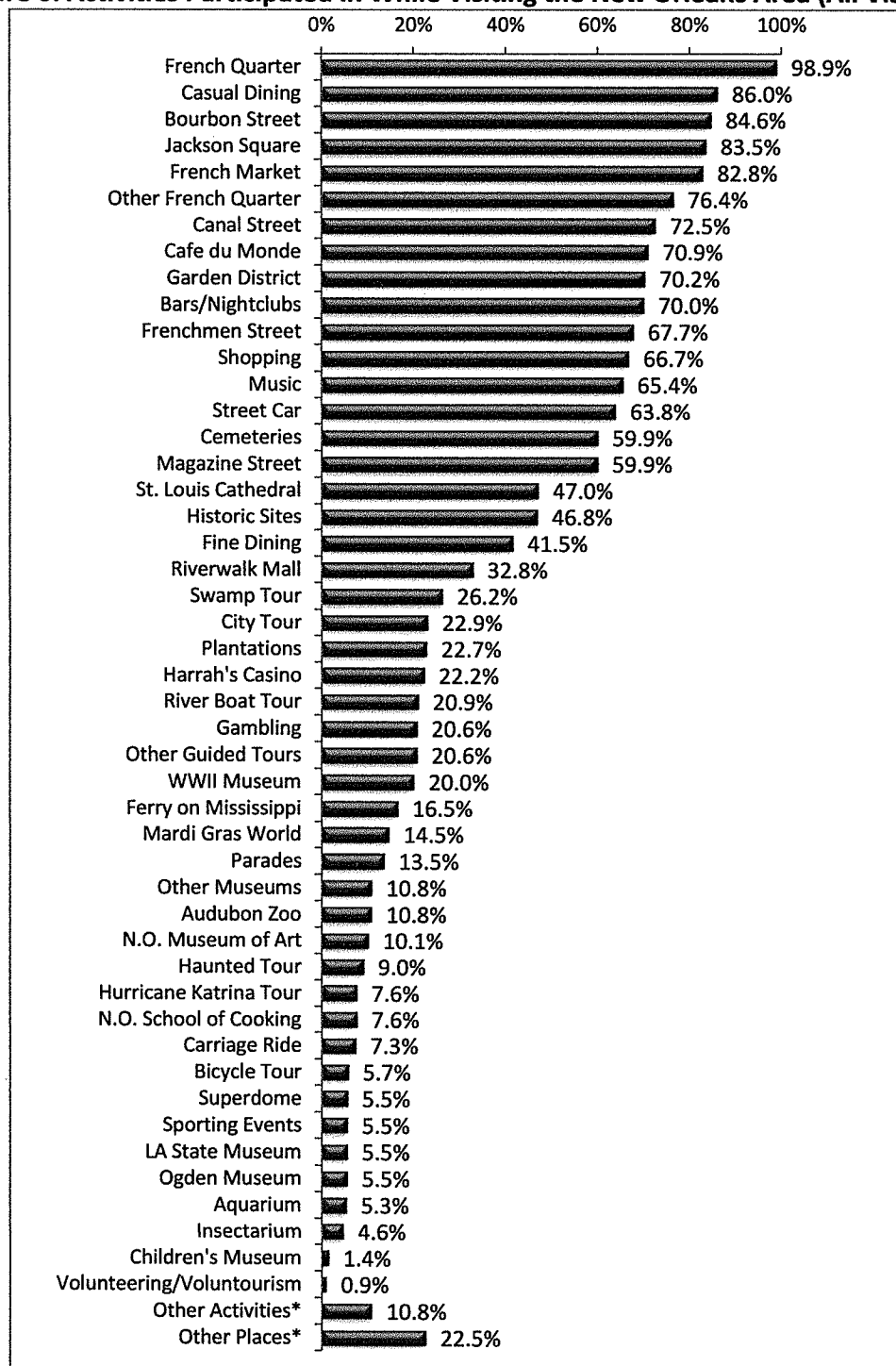
Table 18: Likelihood to Recommend New Orleans as Destination

Response	Valid Percent
Very Likely	76.1
Likely	20.6
Neutral	2.8
Not Likely	-
Not Very Likely	0.5
Total	100.0

- Satisfaction levels with New Orleans as a destination among private rental home visitors was strong. About 76% of them indicated they would be *very likely* to recommend New Orleans as a destination to their friends and family. Another 21% indicated they would be *likely* to recommend the city.

On this trip, what places did you visit or activities did you participate in?

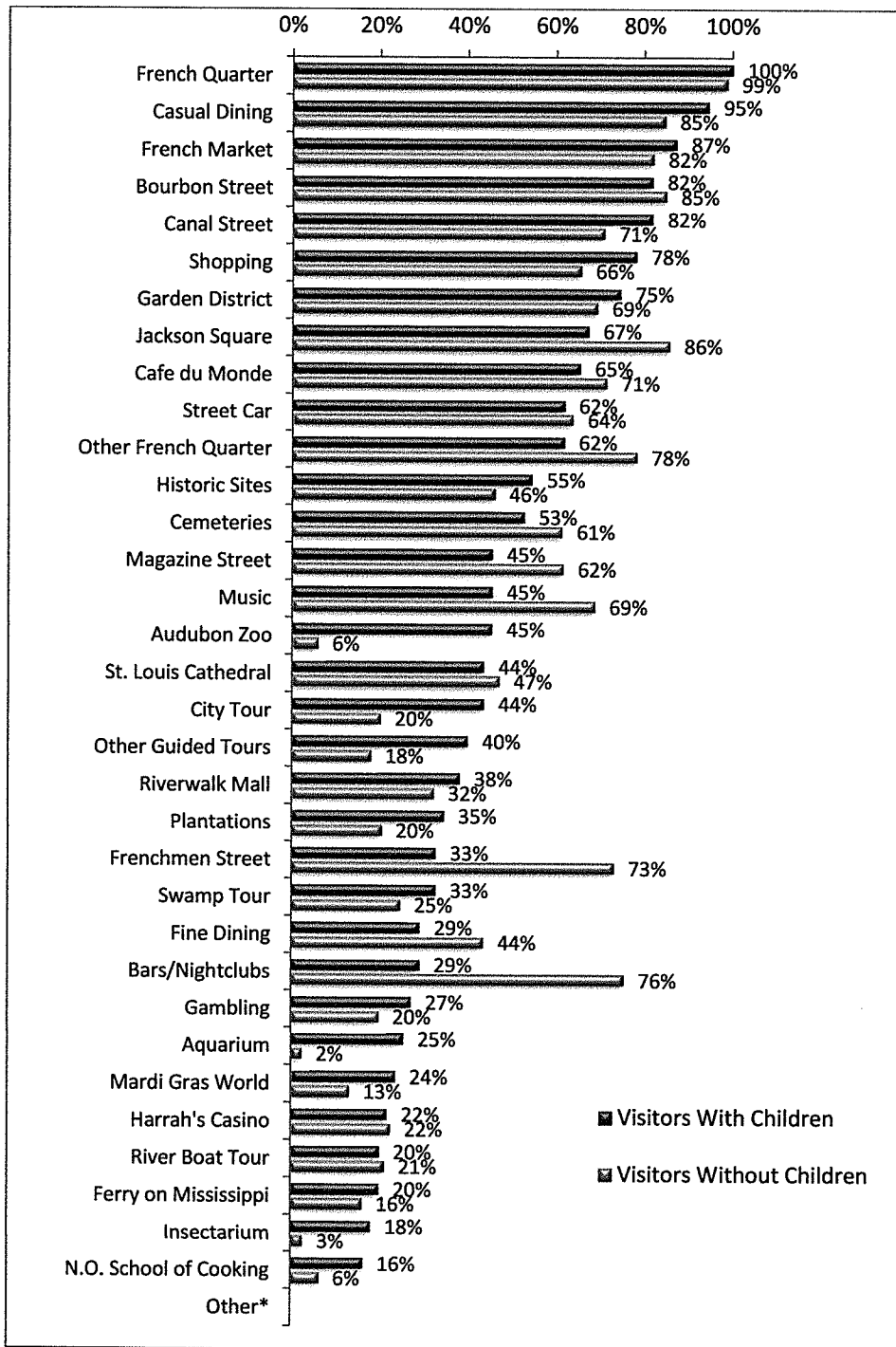
Figure 6: Activities Participated in While Visiting the New Orleans Area (All Visitors)



*See Appendix A for a list of "Other" activities and places. Total equals more than 100% due to multiple responses.

- 98.9% of visitors reported visiting the French Quarter, while 84.6% went specifically to Bourbon Street. 86.0% of respondents reported eating in casual dining restaurants.

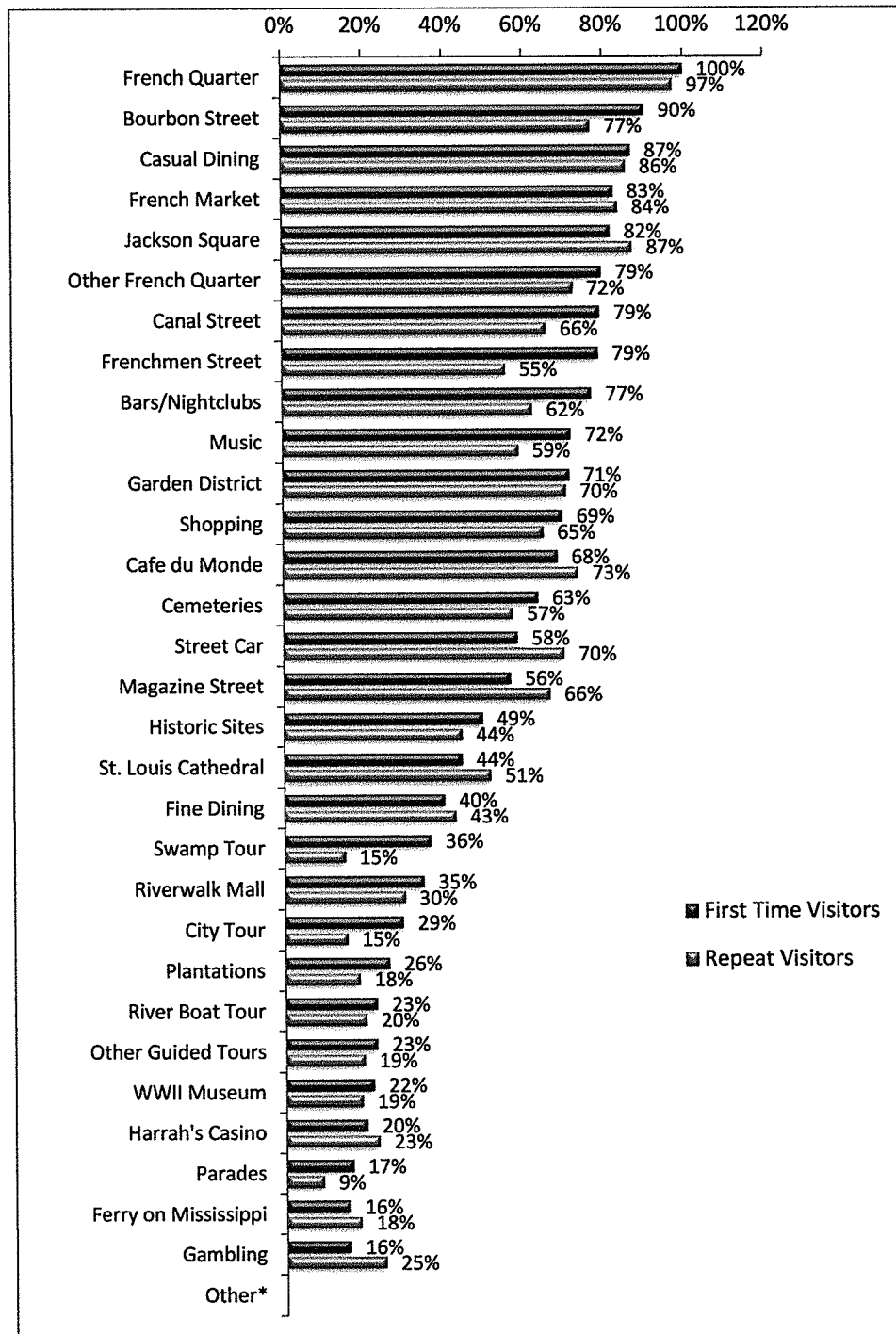
Figure 7: Activities Participated in While in New Orleans (With vs. Without Children)



**See Appendix A for a list of "Other". Total equals more than 100% due to multiple responses*

- The travel behavior of visitors traveling with and without children in their party can vary widely, depending on the activity. As expected, the Aquarium, Zoo and Insectarium were much more likely to be attended by parties traveling with children than those without.

Figure 8: Activities Participated in While in New Orleans (First Time vs. Repeat Visitor)



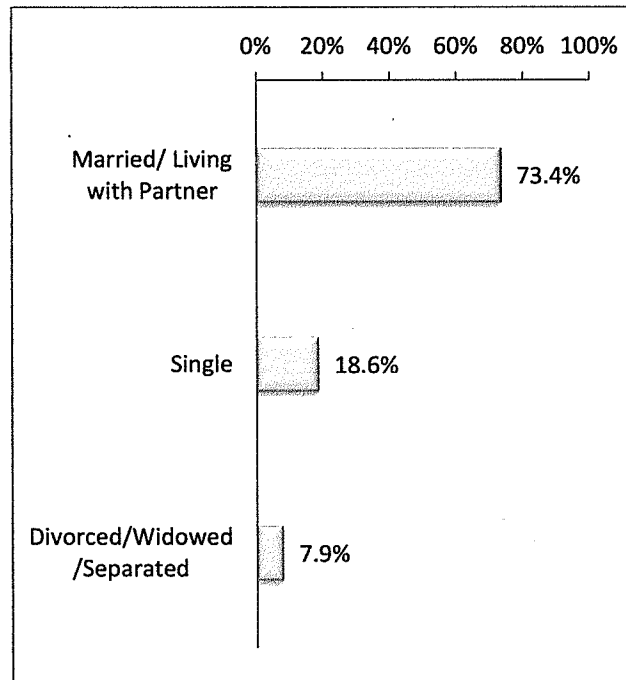
**See Appendix A for a list of "Other". Total equals more than 100% due to multiple responses*

- First time visitors were more likely than repeat visitors to participate in those activities that are considered typical "tourist" activities, such as visiting the French Quarter, Bourbon Street, Canal Street, French Market and various other tourist attractions.

Demographic Questions

What is your marital status?

Figure 9: Marital Status of Respondents



- In 2013, the majority of private home rental visitors to New Orleans were either married or living with their partners (73.4%).

Are there any children under 18 that live in your household?

Table 19: Respondents With Children in Their Households

Response	Valid Percent
Yes	18.9
No	81.1
Total	100.0

- 18.9% of visitors surveyed reported having children under 18 living in their household.

Are you retired?

Table 20: Retired Respondents

Response	Valid Percent
Yes	17.6
No	82.4
Total	100.0

- About 18% of all respondents were retired.

Are you a student?

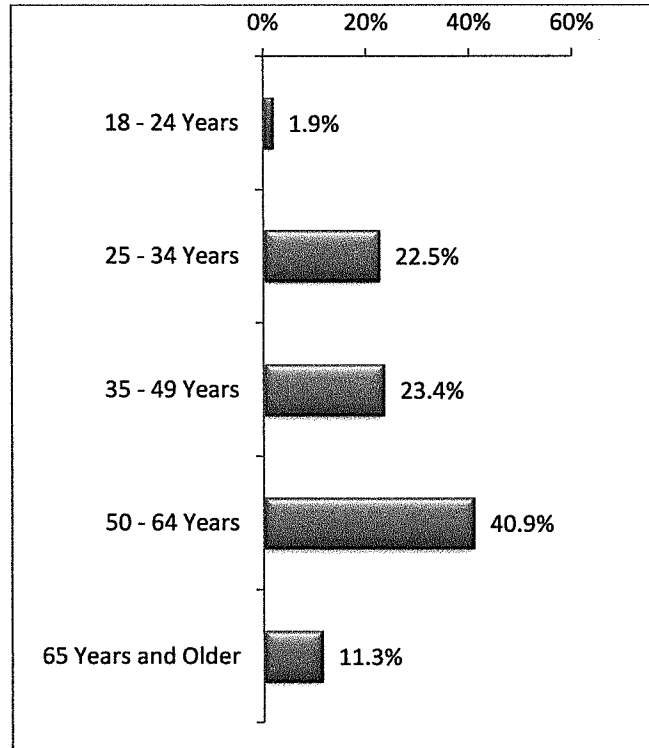
Table 21: Respondents Who Are Students

Response	Valid Percent
Yes	8.0
No	92.0
Total	100.0

- In 2013, 8.0% of all respondents were students.

Which category best describes your age?

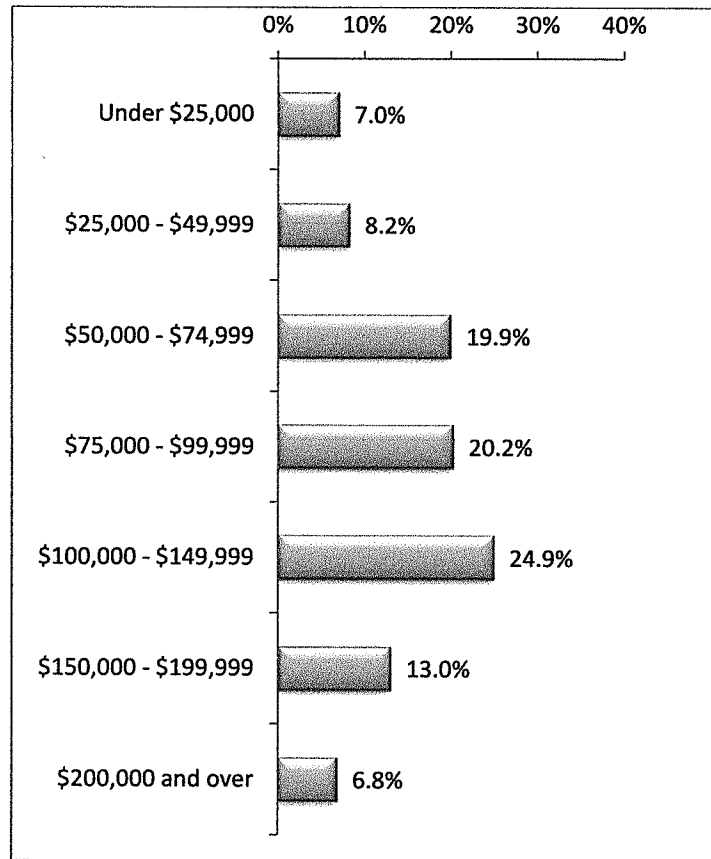
Figure 10: Age of Respondents



- The most frequent age group among respondents was 50-64 years old (40.9%), followed by 35-49 years old (23.4%) and 25-34 years old (22.5%).

Which category best describes your current household annual income?

Figure 11: Household Annual Income of Respondents



- In 2013, almost half (45.1%) of private home rental respondents earned a household income between \$75,000 and \$149,999, while 6.8% earned \$200,000 and above. Among the lower brackets, only 7.0% had an annual income less than \$25,000.

Importance/Performance Indicators

Respondents were asked to rate the importance of destination attributes for ANY city trip on a five point scale (1=Not at all important; 5=Very important). Later in the survey, visitors were asked to rate their satisfaction with these same attributes specifically for their visit to New Orleans using a similar scale (1=Not at all satisfied; 5=Very satisfied). The destination attributes along with their mean scores for importance and performance are presented in Table 22.

- The top five important attributes for ANY city visit were *variety of things to see and do, good food, personal safety, unique, and friendly people.*

The satisfaction of visitors with these attributes is often essential to their overall trip satisfaction. One way to assess the performance of New Orleans is to look at the “gaps” between importance and performance for the different attributes by examining the variance between the means.

- The largest negative variance “gaps” between importance and performance are for *personal safety, cleanliness and good value.*

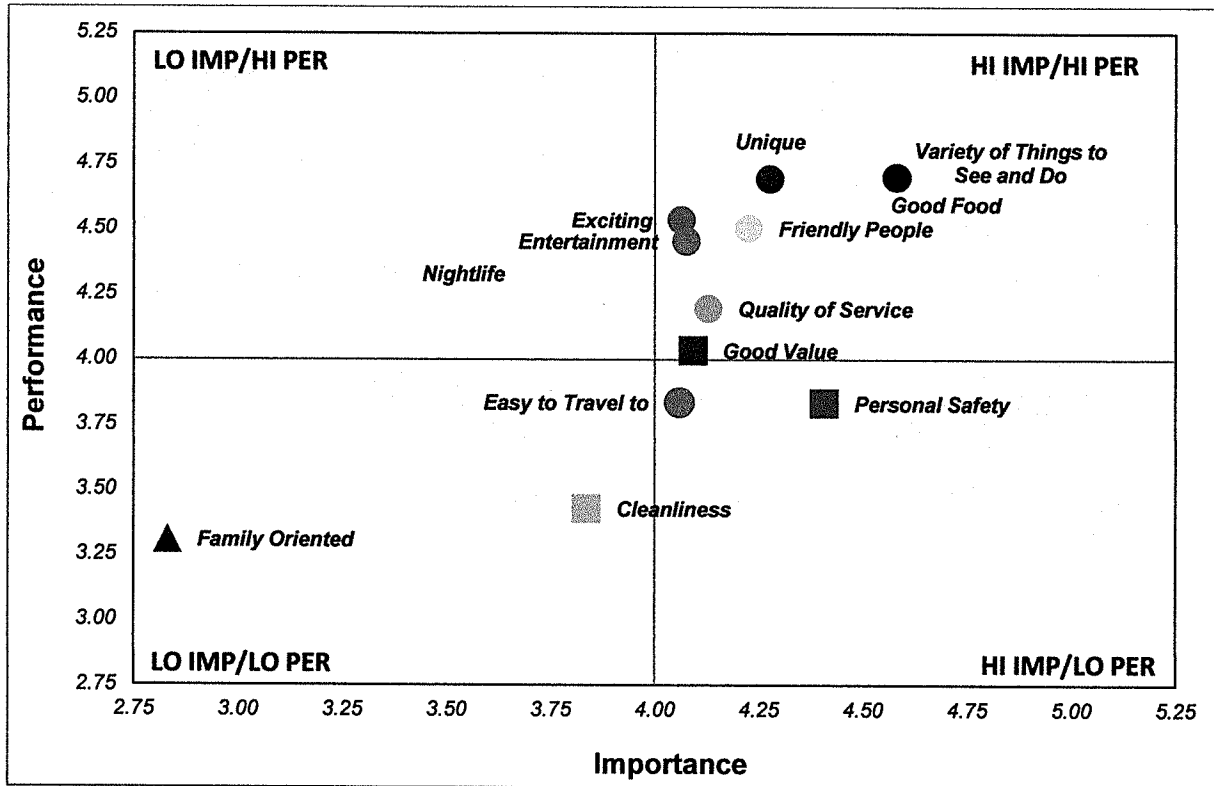
Table 22: Important/Performance Indicators Variance

Attribute	Importance	Performance	Variance*
Variety of Things to See and Do	4.58	4.70	0.12
Good Food	4.49	4.62	0.13
Personal Safety	4.41	3.83	-0.57
Unique	4.28	4.69	0.42
Friendly People	4.22	4.50	0.28
Quality of Service	4.13	4.20	0.07
Good Value	4.09	4.03	-0.06
Entertainment	4.08	4.45	0.38
Exciting	4.06	4.54	0.47
Easy to Travel to	4.06	4.16	0.10
Cleanliness	3.84	3.43	-0.41
Nightlife	3.37	4.33	0.96
Family Oriented	2.83	3.31	0.48

**Variance may not add due to rounding*

The means of the importance/performance indicators were then graphed on a grid and divided into quadrants according to level of importance and satisfaction. Most of the attributes ranked high in importance also ranked very highly in visitor satisfaction. Special note should be taken to those attributes that visitors rank as high in importance, but low in satisfaction. These attributes are *personal safety* and *easy to travel to*. Attention also should be paid to those attributes that are changing quadrants, specifically *good value*.

Figure 12: Importance/Performance Indicators



Economic Impact

Introduction

The purpose of this section is to estimate the total economic impact created on the New Orleans metro area economy by visitors who stayed in private home rentals during 2013. Over the course of their stay, visitors' spending generated a substantial economic activity in the New Orleans area. The economic impact includes total spending, total income, total employment, and total state and local tax revenues created by these visitors.

Direct and Secondary Spending

According to estimates obtained from the *2013 New Orleans Area Visitor Profile Annual Report*, the number of New Orleans visitors who stayed in private home rentals was approximately **100,000**. Estimates of individual trip expenditures for typical overnight visitors who stayed in these accommodations were also derived from survey results (Table 23).

Table 23: Average Individual Visitor Trip Expenditures

Response	Average Expenditure
Restaurants/Meals	\$282
Bars and Nightclubs	\$104
Recreation and Entertainment	\$117
Shopping	\$162
Local Transportation	\$51
Gambling	\$23
Lodging	\$254
Total	\$993

Based on individual trip expenditures presented above, estimates can be made of the total direct spending attributable to visitors who came to New Orleans and stayed in private home rentals. Total direct spending for these visitors is determined as the product of their respective average trip expenditures and the total number of visitors.

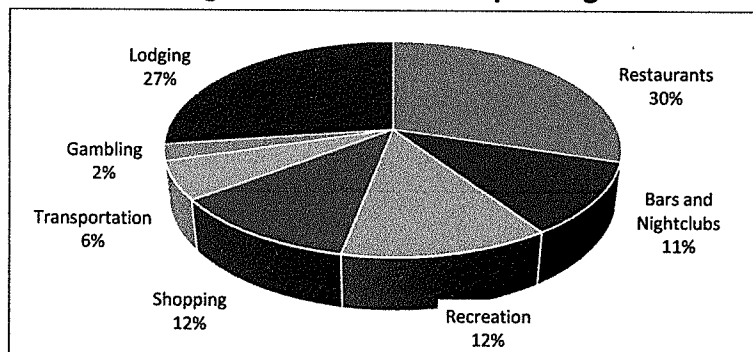
Secondary spending, or the ripple effect, is based on the indirect and induced spending generated from the direct impact. For every new dollar of direct spending, additional dollars of secondary spending are generated in the economy. Secondary spending is calculated as a proportion of direct spending using multipliers provided by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The 2010 BEA Regional Input-Output Modeling System (RIMS II) values for the New Orleans metro area were used for this analysis. These multipliers are specific to each industry in a given area, and those used here are for the respective industries in the New Orleans metro area represented by each expenditure category (Table 24).

Table 24: Estimated Total Private Home Rentals Visitor Expenditures

Spending Category	Direct Visitor Expenditures	Secondary Visitor Expenditures	Total Visitor Expenditures
Restaurants/Meals	\$28,324,453	\$23,452,647	\$51,777,100
Bars and Nightclubs	\$10,445,971	\$8,649,264	\$19,095,235
Recreation and Entertainment	\$11,775,787	\$9,992,933	\$21,768,720
Shopping	\$16,319,818	\$3,803,660	\$20,123,478
Local Transportation	\$5,175,446	\$4,798,156	\$9,973,602
Gambling	\$2,289,607	\$1,942,961	\$4,232,568
Lodging	\$25,505,865	\$22,302,328	\$47,808,193
Total	\$99,836,947	\$74,941,949	\$174,778,896

Total visitor impact was determined as the sum of direct and secondary spending by all visitors. A total of \$99.8 million was spent in the New Orleans area directly by visitors. This spending generated an additional \$74.9 million in secondary expenditures. Therefore, the total impact produced by visitors to New Orleans who stayed in private home rentals during 2013 was approximately \$174.8 million.

Figure 13: Total Visitor Spending



Earnings

Direct spending by visitors generated new earnings in the economy. For each industry impacted by direct spending, the 2010 BEA RIMS II Multipliers were used to estimate new earnings created due to visitor activity. In total, these visitors were responsible for generating nearly \$56.1 million of new earnings in the New Orleans area economy.

Employment

Direct spending by visitors was also responsible for the creation or support of new full-and part-time jobs in the economy. For each industry impacted by this direct spending, the respective 2010 BEA RIMS II Multipliers for employment were used to estimate the spin-off jobs that resulted from visitors. In total, private home rental visitor spending was responsible for the creation or support of about 2,200 full-and part-time jobs in the New Orleans area economy.

Tax Revenues

As a result of spending and employment in the New Orleans area created by visitors, tax revenues are generated for state and local governments. There are two types of tax revenues estimated in this report. The first is direct revenue for state and local governments – direct revenue is the tax revenue that visitors pay to state and local governments directly. Examples include state and local sales taxes that they pay on their retail purchases, including food and drinks. It is important to note that no hotel/motel taxes were included in this analysis.

Indirect taxes are the taxes paid on the income generated by direct spending. On that income, the recipient pays state income taxes; in addition, the taxpayer buys goods and services and pays taxes that apply to those goods and services. The retail sales tax applies to the purchase of some of those goods and services. Other goods and services, however, are not taxable under the retail sales tax, but are taxable under various other taxes. Examples of these are the gasoline tax, the insurance premium tax, and the beer tax. These are referred to as excise taxes. The assumption used to estimate the revenue from these taxes is that the recipient of newly created income is no different from the average Louisiana consumer. Therefore the proportion of secondary income that is paid in these various taxes is equal to average values for the state as a whole.

State Tax Impact

Visitors who stayed in private home rentals are expected to raise just under \$6.1 million of state tax revenue during the calendar year 2013. These state tax collections included \$3.2 million in direct state taxes paid from visitor spending within the local economy, plus \$2.9 million of indirect tax revenue resulting from the earnings attributable to visitor spending (Table 25).

Table 25: State Tax Revenue

Government and Tax	Total Revenue
Direct Tax Revenue	
Sales Tax	\$2,674,641
Gambling Tax	\$492,266
Total Direct Taxes	\$3,166,907
Indirect Tax Revenue	
Sales Tax	\$1,088,966
Excise Tax	\$920,017
Income Tax	\$877,967
Total Indirect Taxes	\$2,886,950
Total State Tax Revenue	\$6,053,856

Local Tax Impact

In addition to state taxes, local governments in the New Orleans area are expected to receive about \$4.7 million in tax revenue attributable to these visitors. This figure is comprised of \$3.3 million in direct local taxes, and another \$1.4 million of indirect local tax revenue (Table 26).

Table 26: Local Tax Revenue

Government and Tax	Total Revenue
Direct Tax Revenue	
Sales Tax	\$3,343,301
Total Direct Taxes	\$3,343,301
Indirect Tax Revenue	
Sales Tax	\$1,361,208
Total Indirect Taxes	\$1,361,208
Total Local Tax Revenue	\$4,704,509

Total Tax Impact

In summary, visitors to New Orleans who stayed in private home rentals during 2013 are expected to generate a total of \$10.8 million in tax revenue for state and local governments. The State of Louisiana will receive nearly \$6.1 million in total taxes, and the local governments in the New Orleans area expected to receive about \$4.7 million.

Conclusion

In 2013, approximately 100,000 visitors to the New Orleans area stayed in private home rentals. These visitors made a substantial contribution to the New Orleans metro area economy. They generated a total economic impact of \$174.8 million, comprised of \$99.8 million in direct spending and \$74.9 million in secondary spending. Visitor spending also resulted in the creation or support of nearly 2,200 full-and part-time jobs. These jobs are expected to create a total of \$56.1 million in additional earnings for residents of the New Orleans area.

Visitor spending is also estimated to generate a total of \$10.8 million in tax revenue for state and local governments. Of that total, roughly \$6.1 million will go to the State of Louisiana, and \$4.7 million will be claimed by local governments in the New Orleans area.

Appendix A

Activities Participated in While Visiting the New Orleans Area

**Activities Participated in While in New Orleans
("Other Places and Other Activities")**

On this trip, what places did you visit or activities did you participate in? (Check all that apply)

"OTHER" RESPONSES 2013

Response	Frequency
City Park	9
Bywater Neighborhoods	5
Self-Guided Tour	4
Jean Laffite Park	3
Marigny Neighborhoods	3
Ninth Ward	3
Treme	3
Audubon Park	2
Bicycle Rentals	2
Cooking School	2
Fishing	2
Kermit Ruffins	2
Oak Street	2
Antoinies	1
Bayou	1
Bus Vision Boo	1
Butterfly Park	1
Canoe Trip In Bayou	1
Chalmette Battlefield	1
Cheaper Dining	1
Church	1
Concert At Saenger	1
Contemporary Arts Center	1
Court Of Two Sisters	1
Dalai Lama Fri And Sat	1
Dooky Chase Restaurant In Treme	1
Freret	1
Healing Center	1
Hermann-Grima House	1
House Of Dance & Feathers	1
Impromptu Wedding Line	1
Jazz Clubs	1
La Seafood Festival	1

Lake Pontchartrain	1
Lakeside Mall	1
Laplace	1
Lightning Ceremony	1
Lil Dizzy	1
Louis Armstrong Park	1
Louisiana Music Factory	1
Louisiana Seafood Festival	1
Loyola	1
Maple Street	1
Metairie	1
Museum At Tulane	1
Music In Clubs	1
Nola Brewery	1
Northshore	1
Old Ursulines Convent	1
Parks	1
Pontchartrain Causeway	1
Presbytere	1
Preservation Hall	1
Restaurants	1
Rock-N-Bowl	1
Running Of The Bulls	1
Scooter Rental	1
Spotted Cat	1
Super Bowl	1
Table Tennis Local Club	1
The Howlin Wolf	1
Theatre	1
Tipitinas	1
Tips	1
Tulane	1
USNP Re-Enactment	1
Visit Family/Friends	1
Total	96

**Activities Participated in While in New Orleans – Other
(With vs. Without Children)**

Activity	Visitors With Children	Visitors Without Children
WWII Museum	14.6	20.9
Haunted Tour	12.7	8.5
Parades	12.7	13.8
Children's Museum	10.9	5.8
Other Museums	10.9	10.9
Carriage Ride	9.1	7.1
Hurricane Katrina Tour	9.1	7.4
Superdome	5.4	5.6
N.O. Museum of Art	3.6	11.1
Ogden Museum	3.6	6.4
Bicycle Tour	-	6.6
Sporting Events	-	6.4
Volunteering/Voluntourism	-	1.1
Other Places	20.0	22.2
Other Activities	5.4	11.6

**Activities Participated in While in New Orleans – Other
(First Time vs. Repeat Visitor)**

Activity	First Time Visitors	Repeat Visitors
Mardi Gras World	14.9	13.3
Other Museums	14.0	6.7
Haunted Tour	12.7	3.6
Hurricane Katrina Tour	10.5	4.6
Audubon Zoo	9.6	11.8
N.O. Museum of Art	9.6	11.3
N.O. School of Cooking	8.7	6.7
Carriage Ride	7.9	7.2
Bicycle Tour	7.0	3.6
Ogden Museum	6.6	4.6
Aquarium	6.1	3.6
Insectarium	5.2	4.1
Superdome	4.4	5.6
LA State Museum	3.5	8.2
Sporting Events	3.5	6.7
Children's Museum	1.3	1.5
LA State Museum	3.5	8.2
Children's Museum	1.3	1.5
Volunteering/Voluntourism	-	2.1
Other Places	23.6	21.6
Other Activities	8.7	2.1

Appendix B

Definitions of Key Terms

Definitions of Key Terms

Tourist or Visitor: Any person who comes to New Orleans and who lives outside the New Orleans Metropolitan Area. The term traveler is also used as synonym. Using the word “tourist” may be confusing to people who do not understand that business travelers or meeting attendees are tourists as much as leisure travelers. This is why we prefer to use “visitor”.

Overnight Visitor: Any visitor who spends at least one night in the New Orleans metro area.

Daytripper: Any visitor who does not stay overnight in the New Orleans metro area.

Short Term Visitor: Any visitor who stayed in the New Orleans metro area for less than 15 days.

Long Term Visitor: Any visitor who stayed in the New Orleans metro area for 15 or more days.

Association/Convention/Trade Show/Corporate Meeting Visitors: All visitors who indicate that their primary purpose of visit is to attend a gathering such as a convention, a trade-show, an exposition or corporate meeting.

Business Visitors: All visitors who indicate that their primary purpose of visit is to conduct business in the New Orleans metro area.

Leisure Visitors: All visitors who indicate that their primary purpose of visit is to vacation, or to visit friends and relatives, attend a special event, a sporting event, to dine out, or to gamble. Visitors who pass through are also categorized as leisure visitors.

Statistical Terms:

Median: The median is the number that lies at the midpoint of the distribution of responses ranked from lowest to highest; it divides the distribution of scores into two equal halves. For example, if the scores are 2, 3, 5, 7, and 8, the median would be 5 (5 is the midpoint with two scores above and two scores below).

Mean: The arithmetic mean is the sum of all the scores divided by the number of scores. This mean is often called average, but the word *average* can also be used to describe other measures of central tendency, such as the median.

The mean and the median are measures of central tendency. In other words, they indicate the most representative score in the group. The median is helpful when the mean does not make sense (e.g., “average party size” or “average number of kids per family” of 2.35), or when the mean is affected by extreme scores (i.e., outliers). For example, some very high spenders pull the mean expenditure up. In such a situation, it is preferable to report a measure that is a more appropriate representation of the average, the median.

Nicholas J. Kindel

From: Leslie T. Alley
Sent: Monday, October 19, 2015 9:21 AM
To: Robert D. Rivers; Nicholas J. Kindel
Subject: FW: STR

FYi - follow up comments from Jay Seastrunk

-----Original Message-----

From: Jay Seastrunk [<mailto:seastrunk@seastrunk.org>]
Sent: Saturday, October 17, 2015 10:51 AM
To: Leslie T. Alley
Subject: STR

Leslie,

Thank you for meeting with us yesterday. Below are my initial thoughts after this meeting which are my own. I had hoped to speak with you afterwards but your next meeting was coming up with ANP.

I had a question as far as what kinds of things are considered unequal protection in zoning and land use - or if you can suggest any reading on this subject.

My thoughts on regulation center on there being a owner domicile requirement for a period of time before being allowed to apply to open an STR. Something like five years of domiciled ownership (eg no open permits) to thoroughly discourage people who buy a property with the initial goal of operating an STR either for its profits or to fund a purchase beyond their means. At the end of the day this is all about money and without adequate land use controls to limit this economic business activity the highest and best economic use (most profitable) will begin to erode the highest and best residential use which depending on locale can be single or multi family.

There is a reason historically that zoning and land use has segregated high income producing activities from lesser income producing activities - and in my view it was to protect the stewards of a city (it's residents) from being driven out of their houses as more profitable commercial uses placed ever increasing demands on the value of land. The separation of residential and commercial was a line in the sand that allows both realms of residential and commercial to exist and benefit each other without contaminating and one destroying the other. This is completely different from mixed use zoning but you can't apply mixed use zoning to an entire city without destroying it - it has to be selectively applied unless the density is sufficient to allow it - New Orleans isn't there yet and does not appear to be on track to achieve full high density urban qualities city wide anytime in the foreseeable future which leads me to questioning request justification for this one size fits all concept applied across the entire city for short term rentals.

Is a duration of ownership requirement considered unequal? If so it seems your toll box is very limited and given the implied goal of one size fits all any ordinance derived from that will provide a mediocre solution for everyone instead of a focused and directed approach where different types of neighborhoods are treated differently.

Objective characteristics to me that would help define neighborhoods for the initial ordinance would be things like:

1. Average duration of ownership
2. Number of blighted properties
3. Number of demolished properties
4. Number of new construction permits

5. Number of renovation permits
6. Average number of units per parcel

What kinds of criteria were used to establish where mixed use districts were allowed in the Master Plan? Why can't a similar kind of criteria be used to decide where STR's are allowed and where they are not?

Feedback would be appreciated.

Thank you,

Jay Seastrunk

Nicholas J. Kindel

From: Jay Seastrunk <seastrunk@seastrunk.org>
Sent: Saturday, October 17, 2015 11:28 AM
To: Nicholas J. Kindel
Cc: Leslie T. Alley; Stacy S. Head
Subject: Drawing not completely posted.
Attachments: STR Drawing.pdf

Nick,

The attached drawing did not get posted in its entirety to the public comment section – it was significantly cut off.

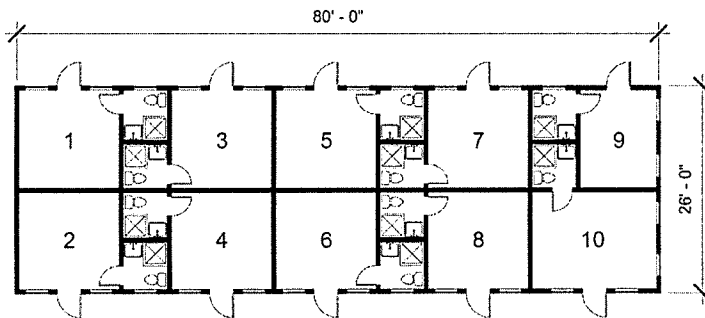
Is there a way you can post this drawing to the public comment section?

It concerns this issue of how zoning handles houses that are used in a much different way from how they were designed and asks the question what can zoning do to prevent this if the activity of short term rentals becomes permitted throughout the city using the example of a typical double shot gun house or the basement of a raised shot gun house.

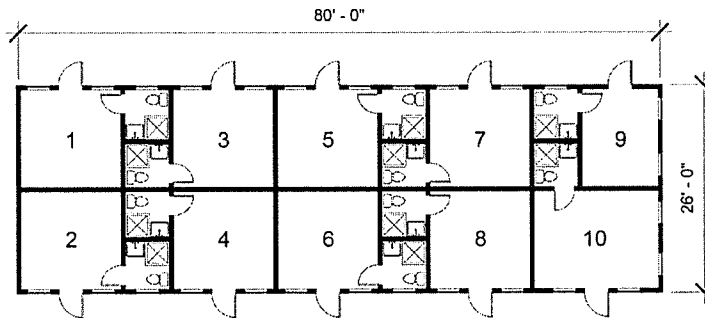
The drawing shows 10 bedrooms, however it would be problematic even if it was just two bedrooms in the sense that they are being rented out and used as separate units under separate contract to unrelated persons.

Thank you,

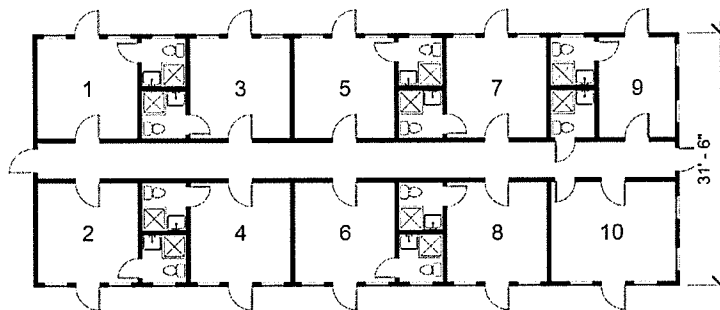
Jay Seastrunk



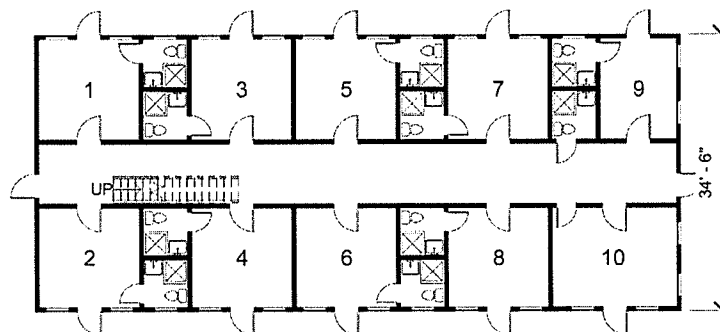
BASEMENT BUILD OUT OF TWO FAMILY HOUSE WITH TWO UNITS ABOVE ON 30' WIDE LOT - OWNER LIVES ABOVE IN ONE UNIT AND RENTS OUT THE OTHER WITH KITCHEN AS A SHORT TERM RENTAL - THEY ALSO RENT OUT EACH OF THE BASEMENT UNITS AS INDIVIDUAL SHORT TERM RENTALS. EACH ROOM IS KEYED SEPARATELY WITH EXTERIOR ENTRANCE - UNDER A CZO CHANGE WHAT WOULD PREVENT THIS SCENARIO?



BASEMENT BUILD OUT (1st unit) OF TWO FAMILY HOUSE ON 30' WIDE LOT - OWNER LIVES ABOVE - EACH ROOM IS KEYED SEPARATELY WITH EXTERIOR ENTRANCE - UNDER A CZO CHANGE WHAT WOULD PREVENT THIS SCENARIO?



BASEMENT BUILD OUT (1st unit) OF TWO FAMILY HOUSE WITH INTERIOR CONNECTIONS ON 40' LOT - OWNER LIVES ABOVE (2nd unit) - EACH BASEMENT ROOM IS KEYED SEPARATELY WITH EXTERIOR ENTRANCE - INTERIOR DOORS ARE LOCKED OR BLOCKED TO EFFECTIVELY CREATE SEPARATE UNITS - UNDER A CZO CHANGE WHAT WOULD PREVENT THIS SCENARIO?



BASEMENT BUILD WITH INTERIOR CONNECTIONS OF ROOMS AS WELL AS STAIR TO INTERIOR OF SINGLE FAMILY RESIDENCE ABOVE OF A SINGLE FAMILY HOUSE ON 41' WIDE LOT - OWNER LIVES ABOVE IN A SPACE CONNECTED BY STAIR - EACH ROOM IS KEYED SEPARATELY WITH EXTERIOR ENTRANCE - INTERIOR DOORS ARE LOCKED OR BLOCKED TO EFFECTIVELY CREATE SEPARATE UNITS - UNDER A CZO WHAT WOULD PREVENT THIS SCENARIO?

10/20/15

Short Term Rental issues that could benefit from state legislative action:

1. Establish a private right of action for neighbors in residential zones to enforce city regulations and laws (pursuing civil remedies, not criminal penalties), and "Good Neighbor Agreements" if the City Council approves it. Currently cities have no ability to grant a private right of action to citizens for enforcement of local statutes. This could either be a straight-up enforcement right, or it could be conditioned on first giving the city the opportunity to bring its own enforcement action (similar to a Qui Tam process at the federal level – could have a 60-day opportunity for the city to respond to a complaint by enforcement proceeding, and if the city does not proceed, the neighbors / neighborhood association could initiate action.)
2. Recovery of attorney fees and court costs by successful enforcement actions.
3. Permitted STR operators have to register their business with the State & follow same taxation / withholding / periodic estimated tax payments as other B&B's and hotels. Operating an STR without following local permitting rules or without following state taxation rules is considered tax avoidance / tax evasion, enforceable by State revenue authorities. Rebuttable presumption is that revenue is deemed generated at the advertised rate for every day of the non-compliance
4. Internet Platforms advertising short term rentals are subject to local city jurisdiction and compliance with local ordinances governing STR issues.
5. Internet Platforms that charge for booking and similar services must provide all the same kinds of information to State and local authorities that hotels and B&B's are required to provide.
6. Grant cities the authority to declare that certain zoning violations, noise ordinance violations, public disturbances at licensed / permitted STRs, and violations of "Good Neighbor Agreements" constitute a Nuisance Per Se under state law, giving affected parties the right to an immediate TRO and also injunctive relief.
7. Louisiana's "Baby FTC" act could declare it an unfair trade practice to rent or to offer to rent where a permit is required, if either no permit has been obtained or if it has been determined that the operator is in violation of his permit conditions. Injured parties, with standing to pursue a claim or injunction under the act, should be defined as residents within 3-blocks of the offender, permitted commercial operations within 1.5 miles of the offender, plus anyone who can demonstrate actual harm.

8. Changing laws regarding taxation

9. Increasing the fees

10. State Fire Marshall

Nicholas J. Kindel

From: info@gvbb.com on behalf of Bonnie Rabe <bonnie@gvbb.com>
Sent: Thursday, October 22, 2015 1:09 AM
To: CPCinfo
Cc: Nicholas J. Kindel; Stacy S. Head; Jason R. Williams; Susan G. Guidry; LaToya Cantrell; DistrictC; Jared C. Brossett; James A. Gray; Mayor Mitchell J. Landrieu
Subject: The Unsavory Side of Airbnb

CPC Staff,

Here is another article that describes how AirBnB/STRs facilitate rogue hotels in various cities much in the same way that is happening here in New Orleans. Our city needs to learn from other cities' mistakes when considering recommendations for or against these STRs.

I've copied some of the memorable quotes from the article linked below.

<http://prospect.org/article/evictions-and-conversions-dark-side-airbnb>

"Not only does Airbnb facilitate illegal conversions of entire buildings from tenant apartments to de facto hotels, it has also become part of the landlord lobby that resists enforcement of local laws prohibiting such abuses."

"the Airbnb-ing of San Francisco is part of what Tenderloin Housing Clinic Executive Director Randy Shaw has called a "massive rezoning of the entire city for tourist use." "

"But here's what's deceptive about that framing: Data analysis of Airbnb usage in San Francisco tells a decidedly different story about who is benefitting. Although Airbnb refuses to share its numbers, a 2014 report commissioned by the *San Francisco Chronicle* found that of the (at the time) nearly 5,000 homes, apartments, and private or shared rooms for rent via Airbnb, two-thirds were entire houses or apartments with no owner present during the rental period, and almost a third of Airbnb rentals were controlled by people with two or more listings. Some of the "whole house" or "whole apartment" rentals are from hosts who happen to be away. But many others are being rented out by professional property managers who are handling multiple Airbnb rentals on behalf of absentee home- and condo owners. A separate study conducted by data analyst Tom Slee found similar results. He calculated that about 70 percent of Airbnb revenue comes from hosts who are renting out an entire home or apartment, and 40 percent comes from Airbnb hosts with multiple listings.

In other words, a great deal of Airbnb's revenue and commercial activity in San Francisco does not come from the listings of "regular people" who own and live in their homes and are merely renting out a spare room. Instead, an increasing amount comes from the types of professional landlords who are removing housing from the market and making it exclusively available for tourists."

"Airbnb has morphed into a giant loophole for professional real-estate operatives, allowing them to evade long-standing city laws that previously had protected the local housing stock by banning short-term tourist rentals."

"...many of Airbnb's 25,000 or so "hosts" are not in fact "regular people" looking to rent out a spare room in their home; they are professional operators who took on multiple leases in desirable locations, resulting in what *The New York Times* called the "professionalization" of short-term rental hosting."

"in these magnet cities [major tourist meccas], the evidence is compelling that, while Airbnb has offered the "regular people" standard as the face of its company, in city after city the data do not support this "couch-surfing" narrative."

"Airbnb has resisted, with all the lawyers and lobbyists that a billion-dollar company can hire, any attempts to regulate their business model."

"The Board of Supervisors eventually passed legislation to legalize and regulate short term host rentals such as Airbnb, attaching a few timid conditions that hosts are supposed to follow. But as critics had predicted, those conditions have proven impossible to enforce, particularly since the legislation inexplicably failed to require Airbnb to provide the data about hosts that would enable enforcement. Even though hosts are required to register with the city, to date only about 14 percent have."

Bonnie Rabe, Innkeeper

Grand Victorian Bed & Breakfast

and President of PIANO

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