



September 17, 2024

The Honorable Jean Paul “JP” Morrell, Chair
Governmental Affairs Committee
New Orleans City Council
City Hall, Room 2W50
1300 Perdido Street
New Orleans, LA 70112

RE: Oppose Proposed STR Regulations

Dear Chair Morrell and members of the committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge you to **oppose Ordinance 34,806 and Motions 24-492 and 24-493**. These proposals would jeopardize economic opportunities for residents and small businesses across the city.

Short-term rentals can strengthen local economies by giving homeowners additional income streams and attracting new customers for local businesses.

Most hosts do not fall into the category of traditional property investors or conglomerates.¹ Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs. By making space in their residences available, homeowners can augment their earnings to cope with escalating mortgage payments.

Guests who opt for short-term rentals contribute to local economies by patronizing nearby shops and restaurants. According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.² Short-term rentals offer visitors the opportunity to experience more of the city and its small businesses than other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

¹ <https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc>

² <https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/>

These proposals would be unnecessarily burdensome for New Orleans residents looking to benefit from short-term rentals.

The proposed ordinance, which requires platforms to verify the eligibility of each posted listing, would increase barriers for residents looking to earn extra income. Creating multiple levels of enforcement – at the local and platform levels – increases the risk of miscommunication or incorrect removal of hosts' listings. Hosts renting out space in their primary homes do not have sophisticated legal or compliance departments to address any issues with their registration information. Many of these hosts rely on short-term rentals for supplemental, so any disruption to their listings could jeopardize their financial stability.

Similarly, the proposed motions would jeopardize economic opportunities by threatening the special exception process. As of September 2024, over 300 people have applied for an exception to the short-term rental cap, creating a backlog for the City Planning Commission and the Council.³ By July 2024, only three exceptions had been granted.⁴ Despite strong demand from New Orleans residents interested in participating in the short-term rental market, these motions would put a one-year moratorium on exception applications and create a study to explore ending the program altogether. Eliminating the special exception option would eliminate opportunities for extra income for families and stifle growth opportunities for small businesses.

Instead of ending this program, we urge you to explore improvements to the application and approval process. For the sake of New Orleans residents trying to keep up with the cost of living and small businesses trying to attract new customers, we urge you to reject Ordinance 34,806 and oppose Motions 24-492 and 24-493.

Thank you,



Kouri Marshall
Director of State & Local Government Relations, Central US
Chamber of Progress

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https://www.nola.com/gambit/news/the_latest/new-orleans-will-likely-suspend-short-term-rental-exemption-program/article_a34901a2-6a2d-11ef-b801-33aeaa952a1a.html

⁴ <https://www.fox8live.com/2024/07/13/new-orleans-city-council-grants-first-three-str-special-exceptions/>