

CHIEF ADMINISTRATIVE OFFICE  
CITY OF NEW ORLEANS

LATOYA CANTRELL  
MAYOR

THOMAS MULLIGAN  
DEPUTY CAO, OBES

21 June 2024

**VIA E-MAIL**

Jean Paul “JP” Morrell  
1300 Perdido St  
New Orleans, LA 70112

Dear Council Vice President Morrell:

I am writing in response to your letter of 11 June 2024, regarding the short-term rental (STR) program. I passed your request along to the Department of Safety & Permits (DSP), which administers this program, currently within its Zoning Division. After responding to your specific questions, I’ll comment on your implicit concerns about the STR program, which are well-founded.

DSP provided the following information:

- (1) You asked for “a copy of all STR complaints received by the Short Term Rental Administration through the City’s online portal . . . from March 1, 2024 until April 31, 2024”. Please see the attached spreadsheet. Note that “Call”/“Caller”/etc. are misnomers—these are the *online* complaints.
- (2) Regarding 1422 CHARTRES ST, you asked “why is this case lingering on Zoning Checklist?” and “what is the timeframe for adjudication?” The case was lingering because the Zoning Division judged that the evidence was insufficient to bring the case to hearing (more on this below). The case is now scheduled for hearing at 11:30am on 10 July 2024.
- (3) Regarding 1415 BURGUNDY ST, you asked, “what is the timeframe for adjudication?” The Zoning Division has evidence that this property was listed, inappropriately, on Airbnb. But it is awaiting inspector-generated evidence (e.g. photographs of people going in/out with suitcases) before advancing it to hearing.
- (4) You asked if DSP has “considered including more details on case closures in LAMA and the OneStopApp to improve transparency”. DSP has considered this and has made some changes to LAMA and OneStop, such as adding additional steps to the STR

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enforcement process within the system, to provide more-fined grained detail (but more needs to be done—see below).

As you may recall from our conversations in April, improving the performance of the STR program (and strengthening enforcement, especially) is a driving force behind the transformative changes to DSP which we seek to make. One of these changes is removing the STR program from the overworked and conceptually inappropriate Zoning Division, and elevating it to report directly to DSP leadership (like other priority programs, like Healthy Homes). You voiced skepticism about this change, but I hope that the concerns about STR enforcement which you have rightly identified (and which encompass some of the concerns I and my staff have) validate the need for significant reform. (Incidentally, we have now completed preparations for that reorganization, including full socialization with Civil Service. We intend to effect this change before the end of Q2 2024.)

Let me describe some (not all) of the areas for improvement to the STR program which I and my staff, in concert with DSP leadership, have identified.

**First**, the STR program currently sends “diversion letters” to owners of properties identified as violators of STR laws. Only if further violations are identified are those properties considered for adjudication.

I do not believe that diversion letters are appropriate and have directed DSP leadership to stop using them. Nearly everyone who illegally rents STRs does so willfully, and there is no provision in law for this kind of diversion (in contrast to, *e.g.*, overgrown grass in Chapter 66). Further, hearing officers can dismiss STR cases, or levy minimal fines, if they find that violations are not ongoing and the facts justify lax treatment.

**Second**, the STR program currently uses a “nomination” system in which Zoning Division staff make holistic judgments about which STR cases to “nominate for” (*i.e.* forward to) adjudication. These judgments are based in, but not only in, the evidence collected. This is problematic for a few reasons: it’s a policy decision which was insufficiently socialized with leadership; it slows the enforcement process down; and it adds opacity to a program of significant public interest.

Compare the Code Enforcement (CE) process, which works better: CE receives a complaint and then inspects. If one or more violations of the Minimum Property Maintenance (MPM) Code are found, the case goes to hearing. There is no need for internal debate about whether adjudication happens or not. While the two contexts are not perfectly analogous, STR enforcement needs to better emulate MPM enforcement, and I have directed DSP leadership to develop a standardized and streamlined approach.

**Third**, it is the policy of the Zoning Division that attorneys be present during STR adjudications. If a City Attorney is not available, a case is not scheduled. The justification was that many STR defendants bring lawyers to their hearings, and “we felt that it was asking too much of our non-lawyer staff to go up against attorneys”.

I do not think this policy is wise, and my team is currently verifying that we can, indeed, change it. For one thing, most STR defendants do not bring lawyers, and so the justification does not apply. And properly-trained non-lawyer City staff can and frequently do win at administrative hearings, even when defendants have lawyers. I can recall only two instances when City lawyers were present at CE hearings. CE CASE SUPERVISORS regularly go up against defendants with counsel—and win.

**Fourth,** OneStop does not provide enough detail or transparency on STR cases. At times it is inaccurate. For instance, I mentioned above that 1422 CHARTRES ST has been set for hearing on 10 July. But if you look at OneStop you will see:

1422 Chartres St -Apt D • Short Term Rental • Ref Code:DE5EXN

[Print Summary](#) [Add to Watch List](#)

Type: Short Term Rental      Status: Received by Adjudication Team      Date Filed: 3/14/2024      Closed: No

Description: COMPLAINT RECEIVED ILLEGALLY ADVERTISING AND RWL LISTING AVAILABLE VIA GRANICUS

Origin: Member of the Public      Division: SP      Last Compliance Date: 5/17/2024 12:00:00 AM      Next Compliance Date:      Violations: 11      Open Violations: 11

Last Hearing Date:      **Next Hearing Date: 6/26/2024 9:00:00 AM**

which is incorrect.

We have an idea of what we would like to add to this publicly-available tracker. We would appreciate your input as well. DSP anticipates making a 2025 budget request to fix identified problems and add functionality to public-facing STR materials.

**Fifth,** as you know, adjudication is being overhauled City-wide. The Zoning Division was and is unable to conduct any STR adjudications because its entire adjudication staff left earlier this year.

In the near-term, CE, which has a mature adjudication operation, is handling STR hearings. In the longer-term, we are standing up a new office, the **Central Adjudication Bureau (CAB)**, to consolidate adjudications across the nine City departments which require them.

Work has been going on behind-the-scenes in preparation for launching the CAB later this year. We're routing 12 contract extensions to provide hearing officer coverage. At the same time, we're routing a new hearing officer RFP so that all hearing officers can hear all kinds of cases, and at a standard rate. We're discussing, with Civil Service, the transfer of DSP adjudication staff positions to the CAB. We've identified a strong candidate to lead the CAB, Ronda Crutchfield (who currently runs the Traffic Camera Safety Program). We've discussed consolidation of adjudication with the Law Department and are preparing an Executive Order to this end. And we've identified personnel roles and processes for this new office. Provisionally, there will be four hearing rooms, operating all day, five days a week. Three will be in-person and one will be virtual. (This is still being analyzed; it is not final.)

I hope that this information is helpful to you and provides fuller insight into ongoing process improvement. As I mentioned above, we would very much appreciate any constructive input you have. We want to make STR-related processes more efficient, transparent, and responsive to your constituents' needs. Please let me know if there is any further information you require.

Sincerely,



Thomas Mulligan  
Deputy Chief Administrative Officer,  
Office of Business & External Services

CC: Tara Richard, Director of Council Relations  
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Julia Zuckerman, Legislative Director, Office of JP Morrell

ATTACHMENT: Spreadsheet, online-received STR complaints, 1 March – 30 April 2024