

ZONING PRACTICE

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Balancing Short-Term Rentals: Community Character and Tourism

In this Issue: [Reframing the Short-Term Rental Debate](#) | [Lessons from New Orleans](#)
| [A Replicable Framework](#) | [Conclusion](#)

Balancing Short-Term Rentals: Community Character and Tourism

By Alexandra “Alex” Gelpi Carter, AICP, with Evelyn Campo, CFM, Tara Lambeth, AICP, CFM, PHD; Kara Dudek-Mizel, AICP, Matt Wilson, Hannah Rachlis, CFM, Jessi Kenney, PHD, and Jared Carter

Nearly 20 years after the launch of Airbnb, cities, towns, and counties across the United States continue to grapple with how to regulate short-term rentals (STRs) and other forms of transient lodging. These debates are often framed as conflicts between housing affordability and tourism or between residents and visitors. While these tensions are real, they obscure the underlying planning issue: transient lodging is fundamentally a land use question.

In many instances, transient uses replace long-term residents with short-term occupants, altering patterns of occupancy, investment, and daily life. When these uses cluster in specific areas, they exacerbate these impacts. Neighborhoods may experience reduced housing availability, increased speculative activity, and diminished social cohesion. This leads to a key planning principle: for transient lodging uses, zoning regulations should address

distribution and intensity, not just permission.

This issue of *Zoning Practice* presents a replicable zoning framework for short-term rentals. It begins by suggesting a new framework to debate the role of short-term rentals in local communities before highlighting lessons learned from previous regulatory experiences and detailing each component of a sound approach to zoning for short-term rentals and other transient lodging uses.

A New Orleans' Mardi Gras float referencing shifting short-term rental regulations (Credit: Alexandra Carter)



Reframing the Short-Term Rental Debate

In many cities, towns, and counties, transient lodging regulations and policies have evolved reactively, becoming more restrictive as transient lodging has grown in popularity. These regulations range from zoning-district-specific allowances and restrictions to size-based requirements and outright bans on short-term rentals.

Numerous jurisdictions permit only owner-occupied short-term rentals. Others allow short-term rentals but impose a range of permitting requirements, including 24-hour on-site management, compliance with building and fire codes, licensing and certification, registration and tax payments, liability and property insurance, record retention, and periodic permit renewals.

Multiple jurisdictions institute zoning and land use restrictions in addition to use standard requirements and restrictions for bed and breakfasts, hotels and motels, and other transient lodging uses. Many municipalities also apply additional zoning and land use restrictions, such as density caps, prohibitions on certain building types, and minimum or maximum stay requirements for short-term rentals and other transient lodging uses. Some communities additionally regulate short-term rental hosting platforms by requiring them to review listings for compliance and submit reports to local government agencies.

This reactive and varied framework has resulted in frustration for both businesses and residents. Businesses find it complicated to invest in uncertain or constantly evolving regulatory conditions, and residents experience the impacts of increased development and tourism, including potential nuisances, on their neighborhood fabric and community character.

The need to balance economic opportunity and community character is the underlying tension of the transient lodging and short-term rental debate. Therefore, it is important to examine STRs in both their form and function.

At its core, zoning regulations should stipulate where—and at what intensity—temporary occupancy is appropriate. Sound regulations acknowledge the STR issue by evaluating the full spectrum of

lodging types, from small-scale STRs to large hotels, and situating them within a unified zoning framework. This unified zoning framework takes the guesswork out of the regulatory environment, providing a solution to both businesses and residents that is grounded in the community's comprehensive plan, reflected in the community's zoning regulations, and reinforced by understandable and neighborhood-focused zoning and design standards.

This approach shifts the conversation from whether STRs should exist to how they should be integrated into the built environment to align with neighborhood context, zoning intent, and community goals. This offers a perspective that moves the conversation beyond whether STRs should be allowed, toward a more precise question: *How much transient occupancy can an area absorb before its character—and function—begins to change?*

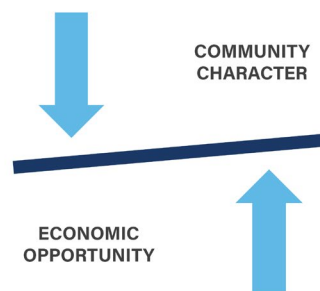
Answering this question enables municipalities to create and enforce transient lodging regulations that address both the physical form and operational impacts of these uses, while aligning with the community's built environment and the needs of the local community.

Lessons from New Orleans

In January 2025, the New Orleans City Planning Commission contracted with Desire Line to study land use and zoning issues in New Orleans related to transient lodging, including *commercial short-term rentals* (§26.6), across the city. New Orleans has a unique character that is rooted in culture and history, and the study's

Balancing community character and economic opportunity
(Credit: Desire Line)

General Finding



"A simple solution (such as an outright ban or a broad approval of transient lodging uses) will not resolve divergent perspectives and land use conflicts amongst owner and non owner cohorts," the report said. "A reasonable compromise is needed."



The Lakeview neighborhood in New Orleans (Credit: Desire Line)

findings reflect the importance of preserving local neighborhoods. Through [this study](#), the project team identified several key lessons for any community contemplating new or updated zoning regulations for short-term rentals.

The project team found that, like many uses, overconcentration intensifies impacts, and that community character reflects both the functional and demographic composition of local neighborhoods. In response, the team developed a new zoning framework for transient lodging that emphasizes clear definitions with graphics, density-based classifications, alignment with zoning district intent, management of concentration, consideration of neighborhood context,

enforceability, and the flexibility to adapt over time.

The planning commission adopted the study with minor revisions in January 2026. As of June 2026, New Orleans's city council is considering legislation to implement the study findings (which may differ from the study's recommendations upon final adoption).

Overconcentration Drives Impacts

A central finding of the New Orleans study is that the primary driver of impacts is not the presence of transient lodging—but its concentration.

Rather than relying on binary approaches—allow or prohibit—communities can manage impacts through tools such as **block-level caps, limits within buildings, and distance requirements**. These mechanisms directly address clustering, which is the condition most strongly associated with negative outcomes.

This shift has direct demographic implications. Neighborhoods that once supported stable, long-term populations begin to experience higher rates of turnover, fewer full-time residents, and reduced continuity in social and economic activity.

“Because fewer people actually live here, no one sits on their porch anymore. People don’t know each other, and it is much, much less safe. Community has been broken.”

— Community Member, City of New Orleans

The study's mapping of STR density and nuisance complaints reinforces this relationship. Areas with the highest concentration of STRs—where temporary occupancy is most dominant—also show the highest clustering of disturbance complaints.

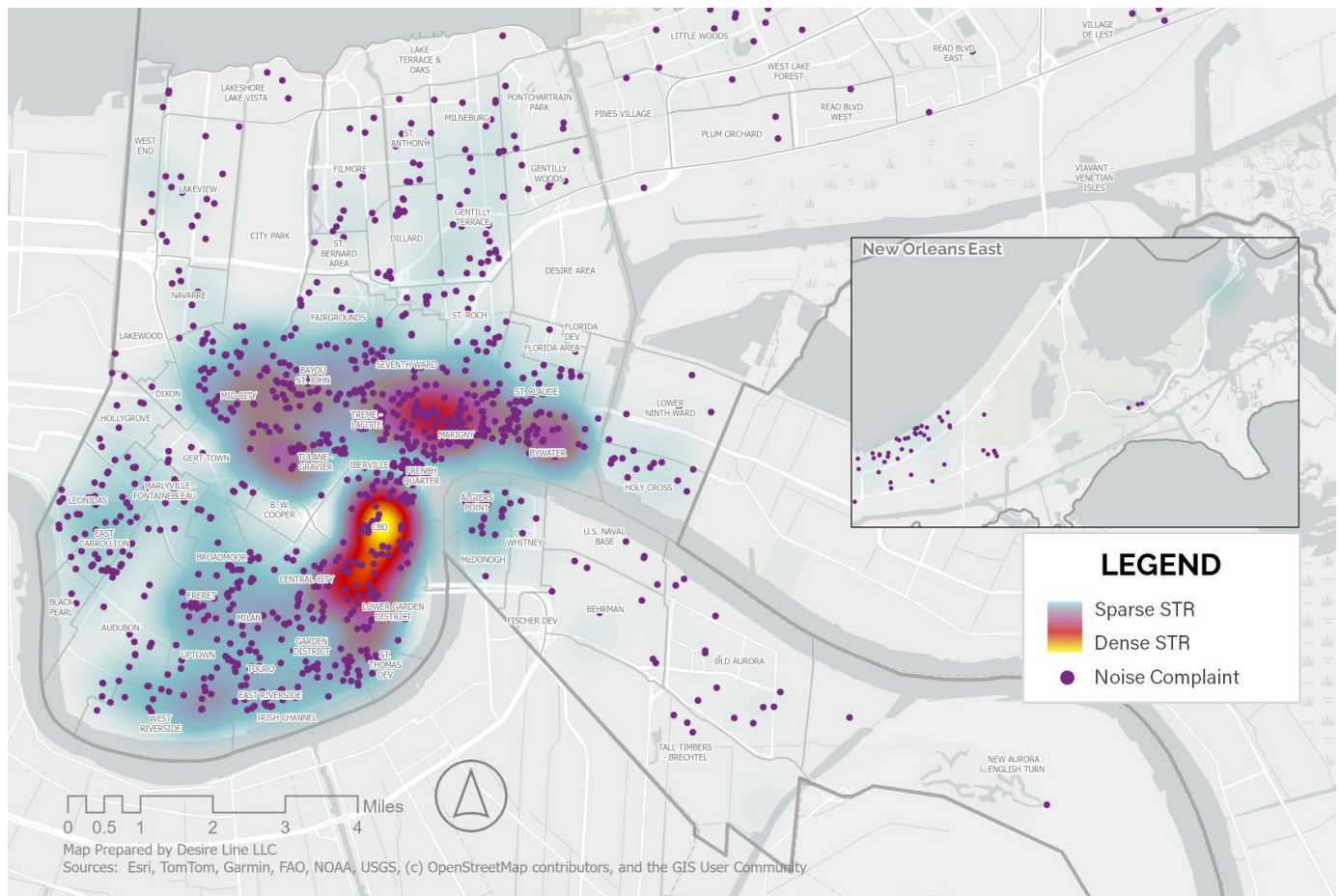
Therefore, the study recommended block limitations for most transient lodging uses. The limitations specified that there could be no more than one transient lodging use per block in most zoning districts. The study further recommended that there could be only one short-term rental in small buildings, only four short-term rentals or 25 percent of units, whichever is less, in medium-sized buildings, and greatly limited the presence of whole building short-term rentals in the city by only allowing them in the Maritime Mixed-Use District ([§8.1B](#)), where hosting whole-home vacation rentals was historically more common and acceptable.

Perfect Data is Not a Prerequisite

Communities should not wait for perfect data to regulate emerging or evolving land uses. Like many jurisdictions, New Orleans faced incomplete datasets, inconsistent records, pandemic related distortions, and rapidly evolving conditions based on multiple studies and subsequent rulemaking over the last 10-plus years. Rather than delaying action, the study made information related to data shortcomings, inconsistencies, and challenges accessible; then combined available quantitative data with qualitative insights from community engagement to support findings and recommendations.

The project team garnered input from community members utilizing three specific topic areas: affordable housing and community character, economic development, and permitted uses and nuisance regulations. Communities should consider specific topics to understand the nuances,

Noise complaints in New Orleans between 2021 and 2025 overlaid with a heatmap of short-term rentals (Credit: Desire Line)



Transient Lodging Use Type	Block-Level Caps	Building Limits	Guestroom Limits	Distance Requirements
Bed and Breakfast	1 per lot and block	Single-family dwelling	5 maximum	N/A
Small Commercial Short-Term Rental	1 per lot and block	Two-family or multifamily dwelling with 4 units maximum; 1 per building	2 guest rooms; 4 occupants maximum	Block measured at 300 linear feet
Medium Commercial Short-Term Rental	3 per lot and block in high-intensity commercial areas; 1 per lot and block in all other areas	Multifamily dwelling or mixed-use, multi-story building; 4 or 25% of units, whichever is less, per building	2 guest rooms; 6 occupants maximum	Block measured at 300 linear feet
Large Commercial Short-Term Rental	1 per building, lot, and block	Whole home single-family dwelling; 1 unit only	7 guest rooms; 20 occupants maximum	Block measured at 300 linear feet
Hostel	N/A	Building designed for hostel accommodations	2 occupants per room	N/A
Neighborhood Hotel/Motel	N/A	Single-family dwelling or traditional hotel	20 rooms maximum	N/A
Large Hotel/Motel	N/A	Large hotel structure	21 rooms or more	N/A

impacts, and potential solutions to land use issues.

This approach emphasizes that perfect data is not a prerequisite for sound planning. Consistent patterns, observable trends, and stakeholder input can provide a sufficient basis for policy decisions, particularly when paired with an iterative framework that allows for adjustment over time.

Community Character Includes Function

“Community character” is often described in subjective terms, like how a place looks or feels. The study offers a more operational definition, where an area’s “character” includes the everyday presence of long-term residents and local businesses—people who regularly live in, work in, and use a place.

The study further acknowledges that transient lodging can change this pattern

by increasing turnover and reducing the number of permanent occupants. Over time, this can weaken the stability and social fabric of a neighborhood, negatively impacting community character.

People often think of community character as solely aesthetic or design based. Maintaining community character, however, requires preserving a critical mass of long-term residents and business owners. This reframes character as not wholly aesthetic, but also as functional and demographic.

Iterative Policy Development is Valuable

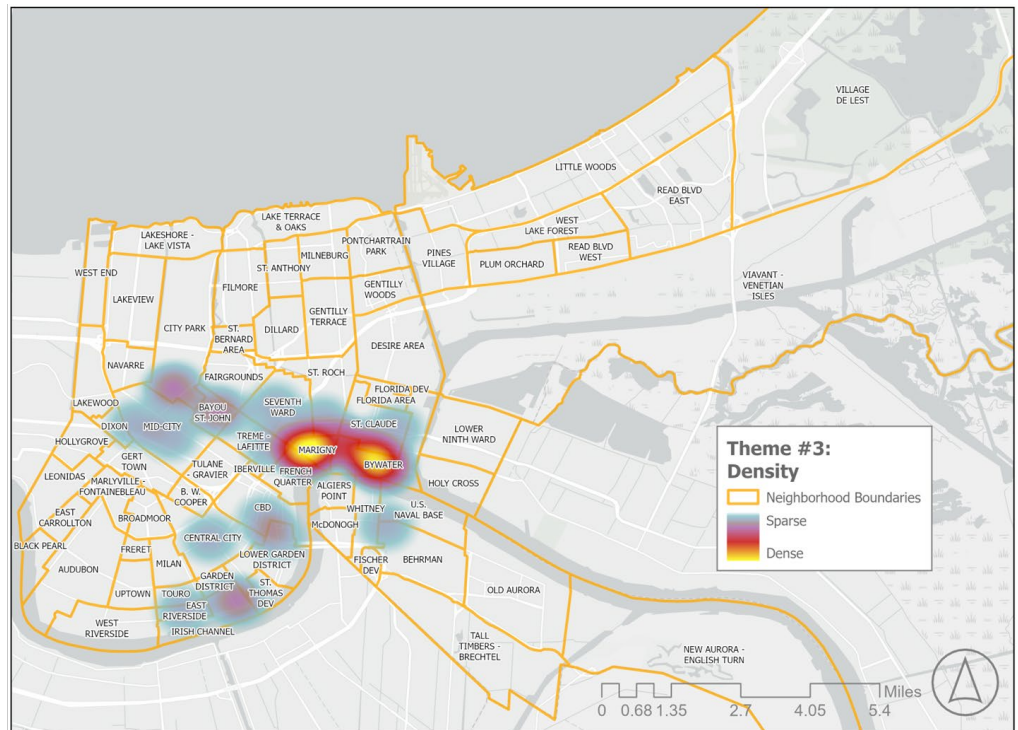
It is important for planners to think of land use policies as iterative, not static. This includes building from existing regulations, using past policies to identify gaps and contradictions, and working with the public towards reform that is transparent and mutually beneficial.

OUTREACH ANALYSIS

Narrative Theme 2: Density of STRs in the Community

Concerns: Clusters of STRs impact neighborhood stability and community character.

Impacted Neighborhoods:
Bywater, Marigny, Bayou St. John, Mid-City, Irish Channel, Lower Garden District



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, City of New Orleans GIS, Map Prepared by Desire Line LLC

Transient lodging policy in New Orleans has evolved over more than a decade and includes significant prior reforms—particularly in residential areas. Following years of policy development and litigation, the city established strict limits on short-term rentals in residential neighborhoods, including a one-per-block cap implemented through a lottery system. However, incremental reforms had produced a fragmented regulatory framework with inconsistent definitions and overlapping rules, which prompted the city to initiate the study.

The study proposes a temporary prohibition on new commercial STRs; focuses on nonresidential areas, where regulatory gaps and inconsistencies remained; and advances a more cohesive, citywide zoning framework. Importantly, the study builds on prior city efforts to develop policy recommendations grounded in experience (including local political and market conditions) and makes recommendations to simplify standards, increase land use predictability, and better protect neighborhood character.

A Replicable Framework

The New Orleans approach can be translated into a clear process for other jurisdictions. This framework emphasizes structure and adaptability, allowing communities to respond to evolving conditions without losing coherence.

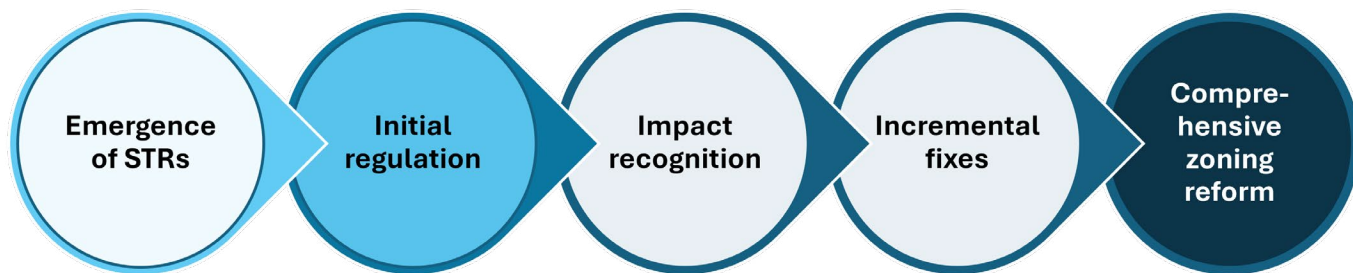
Define Transient Lodging as a Land Use Compatibility Issue

It is important to establish a land use management system that allows for consistent evaluation of transient lodging uses. To achieve this, local jurisdictions should streamline and clarify transient lodging definitions and standards by first

Outreach analysis of the density of short-term rentals in the New Orleans (Credit: Desire Line)

“The question is not whether transient lodging is allowed, but where and at what intensity it belongs.”

– Alex Carter, AICP, President & CEO, Desire Line



*Typical policy evolution cycle
(Credit: Desire Line)*

identifying transient lodging uses (e.g., bed and breakfast, hotel, or short-term rental) and the type of structure that each operates within (e.g., single-family home, multifamily building, or large commercial structure). Then define the number of guest rooms or units and the maximum occupancy for each use.

Streamlining standards includes clearly defining requirements for bathroom facilities, kitchens and cooking amenities, and ancillary uses such as bars, restaurants, and event spaces. For example, a hotel may have a bar or restaurant as an ancillary use, but a small commercial structure would not. Similarly, a hostel may have shared bathroom spaces, but a hotel would not.

For short-term rentals in particular, management and security standards are especially important. These standards should identify who is responsible for addressing complaints, whether management or security personnel must be on-site, and when they must be available. Establishing these requirements improves enforcement, enhances the safety of guests and neighbors, and helps reduce nuisances associated with transient lodging uses.

Classify Uses by Intensity

Most zoning codes treat STRs as a single use category. This simplification masks meaningful differences in scale and impact. The New Orleans study instead recommends defining a spectrum of transient lodging types **based on operational intensity**. Small-scale, lower-impact uses—such as operator-occupied rentals—can be distinguished from whole-home vacation rentals, and larger operations that function more like hotels. Similarly, distinctions can be made within traditional lodging types.

This tiered framework allows jurisdictions to permit lower-intensity uses in or near some residential or mixed-use areas, while directing higher-intensity uses to more commercial areas. It also improves clarity for both enforcement and public understanding, reducing ambiguity that often undermines compliance.

Creating regulations for small, medium, and large short-term rentals, and specifying proper locations and buildings for all transient lodging uses, allows these uses to fit within the framework of the city and to coexist with its existing residents and businesses.

Align Uses with Zoning District Intent

In many communities, STR regulations evolve outside the core zoning framework, resulting in overlays, exceptions, and temporary measures that lack coherence and predictability. Aligning transient lodging permissions with the intent of zoning districts is a more defensible, fair, and consistent approach.

A community's comprehensive plan is an intentional guide to planning for the future, and planners can look to their plan for goals and objectives related to specific policy issues. In New Orleans, for example, the city's [comprehensive plan](#) emphasizes the preservation of neighborhoods as well as the importance of economic development and tourism. The city's [zoning district purposes](#) range from protecting neighborhood character, to attracting and serving residents and local visitors, to allowing a wide variety of commercial and industrial activities.

Planners should evaluate their comprehensive plans and the purpose statements of their residential districts to determine if it may be appropriate to accommodate limited, low-intensity uses

Residential-scaled short-term rental uses (Credit: Desire Line)

Establish an appropriate land use spectrum and scale to manage the variety of transient, temporary lodging land uses in and near residential areas.



B&B
Bed and Breakfast

5 guestrooms max



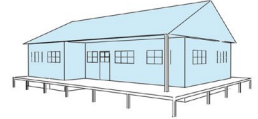
CSTR-S
Commercial Short Term Rental – Small

1 unit, 2 guest rooms, 4 occupants max



CSTR-M
Commercial Short Term Rental – Medium

4 units, 2 guest rooms, 6 occupants max

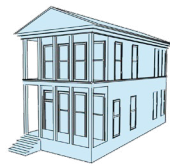


CSTR-L
Commercial Short Term Rental – Large

1 unit, 7 guestrooms, 20 occupants max

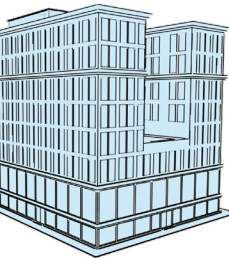
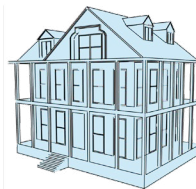
Commercial-scaled short-term rental uses (Credit: Desire Line)

Establish an appropriate land use spectrum and scale appropriate for commercial areas and 24/7 onsite operators.



Hotel/Motel
Neighborhood

20 units max
2 guest bedrooms/unit max
24/7 on site operator
Includes ancillary uses if allowed in the zoning district



Hotel/Motel
Large

21 units or more
Allows more than 2 guestrooms per unit

that are compatible with long-term living patterns, such as bed and breakfasts and small-scale STRs. Allowing these uses in some areas can foster redevelopment of cost-prohibitive sites, including historic structures, where traditional financing mechanisms have not proven successful.

Planners should take a similar approach to recommendations for mixed-use districts that could support moderate levels of transient activity, such as smaller boutique hotels, STR units located above ground-floor retail, or within a multifamily complex, and commercial areas that could handle more intense uses such as hotels and higher-intensity STR operations, including STR operations that have more

than four units in a building and hotels with more than 21 units.

Apply Density Controls to Manage Concentration

Even well-managed transient lodging can disrupt neighborhoods if it becomes too prevalent. For this reason, density controls and use permissions are essential.

Clear, measurable limits—such as caps per block, maximum percentages within buildings, or 24-7 on-site operators, are important to avoid overconcentration and to address potential operational disturbances. These tools maintain a baseline of long-term occupancy and on-site accountability, help prevent the

tipping point at which temporary uses begin to dominate, while also providing limited economic opportunities that can be instrumental in spurring redevelopment of blighted properties and stabilizing neighborhoods that have historically experienced disinvestment.

The New Orleans study builds on the city's existing regulatory framework—particularly the one-per-block density limits already established for residential STRs—and evaluates how similar principles can be applied and adapted to mixed-use and commercial districts. These density limits advance the goals of the comprehensive plan and the intent of the city's zoning districts by incorporating one-per-block limitations in residential districts, while allowing more transient lodging uses in mixed-use and commercial districts.

When establishing density limitations in commercial areas, it may be tempting to allow the market to guide development decisions. The study found that wherever STRs are permitted, they tend to be developed, and that such development can take the form of an entire block face or streetscape, effectively

transforming active pedestrian spaces and vibrant commercial character into intermittent dead zones of inactivity. This was especially apparent during the month of August when tourist season in New Orleans traditionally ebbs due to excessive heat. For this reason, density controls in commercial districts should be thought of as protecting the variety of commercial uses in a commercial area.

It is also not uncommon for residences to be located within commercial districts and for the property owners who live in these residences to not realize they are zoned commercial. Planners should be especially mindful of this because the character of these areas may be more sensitive to an overconcentration of STRs than the commercial zoning district designation may suggest.

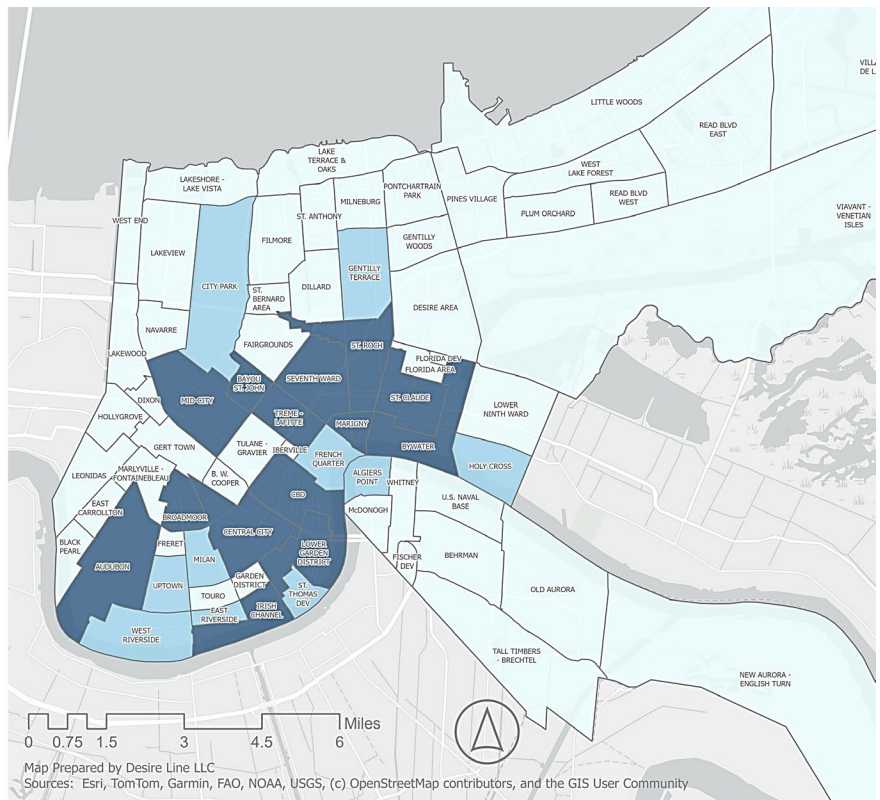
Incorporate Neighborhood Context Through Typologies

Establish **structured neighborhood typologies** to strike a balance between uniform regulations and highly localized rules. A fully standardized approach can ignore meaningful differences between neighborhoods, while overly tailored

Study
neighborhood
typology
descriptions and
map (Credit:
Desire Line)

Neighborhood Typologies Analyzed In Detail

- Higher Impact** (most transient lodging units *and* high engagement)
 - Bywater
 - Central City
 - Marigny
 - Seventh Ward
- Moderate Impact** (most transient lodging units *or* high engagement)
 - Algiers Point
 - East Riverside
 - French Quarter
 - Uptown
- Lower Impact** (all others)
 - Garden District
 - Lake Catherine
 - Lakeview



systems can become too complex and difficult to administer.

By grouping areas based on shared characteristics—such as existing development patterns, market pressures, and observed STR impacts—communities can apply differentiated rules within a coherent framework. The approach in the study used three neighborhood typologies to adjust policies that respond to local conditions, data, and public feedback, without sacrificing clarity or consistency at the citywide level.

The neighborhood typologies included **higher-impact neighborhoods** that had a high concentration of transient lodging units *and* high public engagement with the study process, **moderate-impact neighborhoods** that included *either* a high concentration of transient lodging units *or* high public engagement with the study process, and **lower-impact neighborhoods** that did not have a high concentration of units or high public engagement with the study process.

The neighborhood typologies resulted in a regulatory framework that began with initial zoning alignment, based on the purpose and function of a zoning district; then incorporated land use alignment, where residential uses were targeted to residential areas and commercial uses were targeted to commercial and industrial

areas; and lastly, integrated community engagement, where lower- and moderate-impact neighborhood regulations relied on both use classification and zoning district and higher-impact neighborhood regulations included more restrictions on and prohibitions of transient lodging uses.

“You do not need a unique rule for every neighborhood—but you do need a structured way to account for differences.”

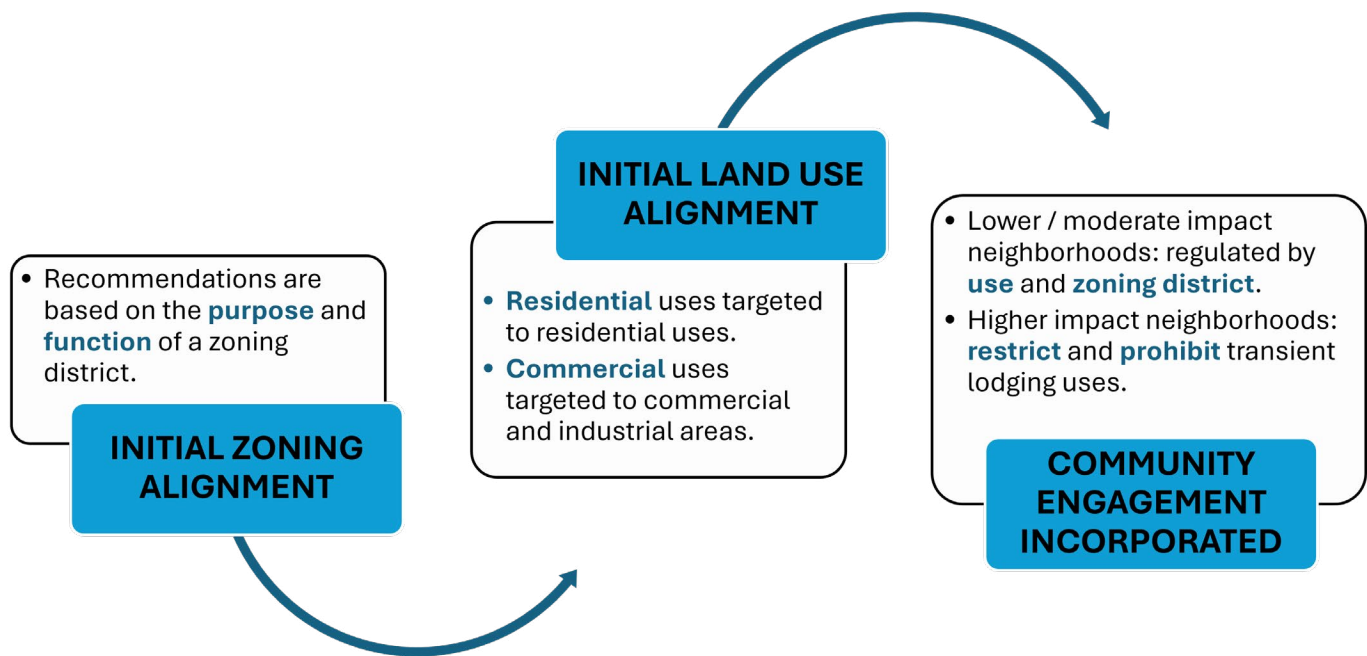
– Evelyn Campo, CFM, Deputy CEO, Desire Line

Align and Support Enforceable Systems

Across engagement efforts, one message was consistent: enforcement determines whether regulations succeed.

The study found widespread concern about noncompliant operations and a strong desire to prioritize enforcement over additional rulemaking. Without effective monitoring and compliance systems, even well-designed zoning frameworks will fail.

Initial zoning alignment, initial land use alignment, and community engagement incorporated
(Credit: Desire Line)



Key findings included a large number of noncompliant STRs operating outside regulations and strong public support for targeting noncompliant operators before adopting new rules.

Key components of an effective enforcement system include management and security requirements, platform accountability, clear licensing requirements, real-time data access, and dedicated staffing. Examples of enforcement elements include requiring all transient lodging to have a permitted operator available 24 hours a day, seven

days a week; penalizing violations and revoking permits; monitoring listings on online platforms and requiring permit information to be listed on those platforms; and providing clear permitting processes for all transient lodging use permit types.

These elements ensure that regulations are not only adopted but implemented in practice. However, they need to be supported by dedicated staff that monitor listings, research violations, and follow through on code enforcement processes.

Monitor and Adjust Over Time

There is no single perfect approach to regulating transient lodging uses. Even well-researched, community-focused, and comprehensive zoning regulations may require future adjustments as conditions and community needs evolve.

Communities can monitor several indicators to determine when it may be necessary to adjust transient lodging regulations. Rising nuisance complaints, increased tourism activity, or a growing number of illegal listings on online platforms may signal that existing regulations no longer meet local needs and should be reevaluated. Communities can monitor these trends through code enforcement data, listings on vacation rental platforms,

and information provided by local tourism bureaus.

If changes are needed, communities can revise and clarify use standards, adjust use classifications or density controls, engage community members to better understand current issues and potential solutions, and update code enforcement procedures to more effectively address violations.

Conclusion

Communities are unlikely to resolve transient lodging debates through extreme approaches such as total bans or unrestricted growth. A more effective path lies in consistently applying core planning principles with clarity and discipline.

Communities can look to their comprehensive plans, zoning district purpose statements, existing regulations, enforcement procedures, and engagement with the community to refine these regulations to effectively protect and preserve local community character.

This includes defining uses precisely, classifying uses by intensity, aligning uses with zoning district intent, managing their concentration, incorporating neighborhood context, and ensuring that regulations are enforceable in practice. It also requires an iterative mindset, recognizing that policies can (and should) evolve over time.

The goal is not to eliminate transient lodging, but to ensure it does not overwhelm the permanent residents and businesses that give neighborhoods their identity.

Instead of eliminating transient lodging, including STRs, it is better to integrate these land uses in a way that supports visitors and tourism while preserving housing and sustaining the local community character that make cities worth visiting.

“If the city is not going to inspect...and enforce the rule. I think it’s a waste to a lot of people’s time if it’s not going to be enforced and inspected.”

– Community Member, City of New Orleans

About the Author



Alexandra Carter, AICP, is an artist, urban planner, and founder and CEO of Desire Line: a New Orleans-based planning and resilience firm. With over 16 years of

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