

GOVERNMENT
OF
THE DISTRICT OF COLUMBIA

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ZONING COMMISSION

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PUBLIC HEARING

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IN THE MATTER OF: :

:

Text Amendment to Subtitles :

B, H, K, & U to Authorize : Case No.

Short-Term Rentals : 19-15

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Thursday,

October 17, 2019

Hearing Room 220 South

441 4th Street, N.W.

Washington, D.C.

The Public Hearing of Case No. 19-15 by the

District of Columbia Zoning Commission convened at 6:30

p.m. in the Jerrily R. Kress Memorial Hearing Room at 441

4th Street, N.W., Washington, D.C., 20001, Anthony J.

Hood, Chairman, presiding.

ZONING COMMISSION MEMBERS PRESENT:

ANTHONY J. HOOD, Chairperson

ROBERT MILLER, Vice Chairperson

MICHAEL G. TURNBULL, FAIA, Commissioner (AOC)

PETER G. MAY, Commissioner (NPS)

OFFICE OF ZONING STAFF PRESENT:

SHARON S. SCHELLIN, Secretary

OFFICE OF PLANNING STAFF PRESENT:

JENNIFER STEINGASSER, Deputy Director, Development
Review & Historic Preservation
JOEL LAWSON
JONATHAN KIRSCHENBAUM

D.C. OFFICE OF THE ATTORNEY GENERAL PRESENT:

MAXIMILIAN TONDRO, ESQ.

The transcript constitutes the minutes from
the Public Hearing held on October 17, 2019.

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P-R-O-C-E-E-D-I-N-G-S

6:30 p.m.

1
2
3 CHAIRMAN HOOD: All right. We'll go ahead and get
4 started. Good evening, ladies and gentlemen. This is a
5 public hearing of the Zoning Commission for the District of
6 Columbia.

7 My name is Anthony Hood. Joining me is Vice Chair
8 Miller, Commissioner May, and Commissioner Turnbull. We're
9 also joined by the Office of Zoning staff Ms. Sharon
10 Schellin, Office of Attorney General staff Mr. Tondro. We
11 will also be joined shortly by the Office of Planning staff
12 and I will announce them when they enter.

13 Notice of this hearing was published through D.C.
14 Register, and copies of that announcement are available on
15 the bin near the door.

16 This hearing is being recorded by a court
17 reporter. It's also webcast live. We ask you to refrain
18 from any disruptive noise or actions in the hearing room
19 including the display of any signs or objects.

20 The hearing will be conducted in accordance with
21 provisions of 11 DCMR Chapter 5 as follows: preliminary
22 matters, presentation by the petitioner -- in this case, it's
23 the Chairman of the Council and the Council -- report of
24 other government agencies, report of other ANCs, this is
25 citywide, testimony of organizations and individuals. Each

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1 have five and three minutes respectively, and we'll hear in
2 order from those in support, opposition, and undeclared.

3 While the Commission reserves the right to change
4 the time limits for presentations if necessary, it intends
5 to adhere to the time limits as strictly as possible and
6 notes that no time shall be seated.

7 A couple of other housekeeping items as follows.
8 Please turn off all electronic devices so this hearing is not
9 interrupted. Anyone who would like to testify, we'd ask you
10 to register at the witness kiosk. Also we would ask that you
11 give the cards to the court reporter before taking a seat at
12 the table, and he's to my right.

13 When you present your testimony, turn on and speak
14 into your microphone. First, state your name and home
15 address. When you are finished speaking, turn off your
16 microphone. The staff will be available throughout the
17 hearing to discuss procedural questions, and that's Ms.
18 Schellin who's to my left.

19 At this time, the Commission will consider any
20 preliminary matters. Does the staff have any preliminary
21 matters?

22 MS. SCHELLIN: No, sir.

23 CHAIRMAN HOOD: So what I would like to do is to
24 pause. Okay. Mr. Kirschenbaum, are you by yourself tonight?

25 MR. KIRSCHENBAUM: I do not anticipate so. My

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1 colleague should be here momentarily.

2 CHAIRMAN HOOD: Okay.

3 MR. KIRSCHENBAUM: Thank you.

4 CHAIRMAN HOOD: So let me just acknowledge. So
5 far we have from the Office of Planning Mr. Kirschenbaum.
6 So with that, we have no preliminary matters. I would ask
7 Chairman Mendelson if you'd come forward.

8 Mr. Chairman, did you want to wait until the
9 Office of Planning, Ms. Steingasser, and all of them come in?
10 If you could, maybe can you give us two or three minutes for
11 them to come in? Two or three more minutes won't make a --

12 MS. SCHELLIN: It could be a line downstairs or
13 something.

14 CHAIRMAN HOOD: I think it'll be beneficial, Mr.
15 Chairman, if we all are in the room. Sure, whichever seat
16 you would like. Okay.

17 So we can't block the aisleways. I would ask that
18 you work with us on that. We don't want them to come and
19 shut us down and put us out. Thank you.

20 So we know people. Sam, if you could help us,
21 somebody could help us. I hate to call you out, but I know
22 you. So if we could kind of help us over there, I would
23 greatly appreciate it. I think they may be some of your
24 members. I'm not sure. But if you could help us, we'd
25 appreciate it.

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1 Mr. Chairman, they're not late. It's just that
2 we have parking issues out here. You can park after 6:30.

3 (Pause.)

4 CHAIRMAN HOOD: Also, let me thank Paul who does
5 our video streaming as well. I always forget to mention him.
6 All right. I think we can get started now, Mr. Chairman,
7 whenever you're ready.

8 COUNCIL CHAIR MENDELSON: Thank you, Mr. Chairman.
9 As the applicant, I believe I have more than five minutes.
10 I was told I have 60 minutes, but I don't plan on taking 60
11 minutes.

12 CHAIRMAN HOOD: How much time? You usually have
13 60 --

14 COUNCIL CHAIR MENDELSON: I think it'll be about
15 ten.

16 CHAIRMAN HOOD: Okay.

17 COUNCIL CHAIR MENDELSON: Thank you for scheduling
18 this hearing this evening to consider Case No. 19-15, a text
19 amendment case to authorize short-term rentals in residential
20 zone districts.

21 Coincidentally, exactly one year ago, October 17,
22 2018, all 13 members of the Council wrote to the Zoning
23 Commission asking that the Commission update its zoning
24 regulations to permit short-term rentals in residential
25 zones.

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1 Our letter requested that the Zoning Commission
2 initiate a text case as well as emergency rulemaking to
3 permit home sharing. Consistent with that request, on July
4 29th of this year, I submitted an application for a text
5 amendment which is the case before you today.

6 There are always many ways to look at an issue.
7 But one view is that the matter before you this evening is
8 quite simple, to allow a discrete type of transient use, home
9 sharing in residential districts.

10 Home sharing, commonly called short-term rentals,
11 have become very popular. Last fall, the Council estimated
12 that on a given day, there are approximately 1,000 short-term
13 rentals advertising their availability on a web-based booking
14 service platform such as Airbnb, HomeAway, and VRBO.

15 In total, there are an estimated 9,000 short-term
16 rentals operating in the District. When combined with the
17 number of hotel rooms, the short-term rental inventory
18 represents almost one-fourth of the total number of transient
19 units available in the District.

20 And yet the city's chief financial officer
21 estimates that, and I'm quoting, approximately 80 to 90
22 percent of the short-term rentals occur in residential zones,
23 unquote, where the current zoning regulations prohibit them.

24 Accordingly, Case 19-15 is about rendering legal
25 the vast majority of short-term rentals in the District. The

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1 proposed zoning text provides that the definition of short-
2 term rentals is the same as the Council's definition adopted
3 in the law last fall.

4 That is, quote, short-term rental means paid
5 lodging for transient guests with the host present unless it
6 is a vacation rental. A short-term rental is not a hotel,
7 inn, motel, boarding house, rooming house, or bed and
8 breakfast. A short-term rental operates within a portion of
9 the host's residential property unless it is a vacation
10 rental, unquote.

11 A vacation rental is essentially the same except
12 that the host is not expected to be present and a vacation
13 rental generally is time limited to 90 days. Importantly,
14 the proposed zoning text also requires in the definition that
15 a short-term rental must have a valid basic business license
16 from the Department of Consumer and Regulatory Affairs with
17 a short-term rental or a short-term rental vacation rental
18 endorsement.

19 And also importantly, the license law requires
20 that the property at which the short-term rental is located
21 shall be the host's primary residence. And primary residence
22 is defined as property eligible for the Homestead Deduction
23 from real property tax.

24 Thus we really are talking about home sharing.
25 That is a District resident who seeks to rent out a room or

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1 rooms in his or her house on a short-term basis. We are not
2 talking about investor units. We are not talking about
3 absentee landlords.

4 Because we are talking about a use in people's
5 houses typically with the homeowner present, the character
6 of these short-term rentals is different than most other
7 transient uses. Indeed, given that there are thousands of
8 these rentals already in existence in our residential
9 neighborhoods, albeit illegally, we know that the character
10 and impact of these rentals, generally speaking, is
11 compatible with residential zone districts.

12 Yes, there have been complaints. Almost always
13 the complaints have been related to investor units and party
14 houses. Investor units are precluded under the proposed text
15 amendment because the definition requires that the units have
16 or be eligible for the Homestead Deduction. The chance for
17 a party house is similarly reduced.

18 At the July 29th meeting where the Zoning
19 Commission voted to set down this text case for public
20 hearing, the Council was asked to consult with the Office of
21 Planning and the Office of the Attorney General to revise and
22 perfect the text.

23 As a result, the proposed text would permit short-
24 term rentals as accessory uses as a matter of right in zones
25 where residential uses are permitted including all R, MU, RA,

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1 RF, NC, and the zones for Hill East and Elizabeth's East
2 Campus, Reed-Cooke, and Walter Reed.

3 No other substantive change is proposed to the
4 zoning regulations. The Office of Planning has issued a
5 report supporting the text amendment, and the effect will be
6 to permit as legal thousands of currently operating short-
7 term rentals.

8 Undoubtedly, you will hear testimony or receive
9 statements that at their essence seek to relitigate issues
10 that the Council resolved through its licensing decisions.
11 The Council made choices when it adopted Bill 22-92 which is
12 now D.C. Law 22-307 pursuant to our authority over licensing
13 law.

14 The choices we made include the following. Short-
15 term rentals must have a license to operate. In order to
16 advertise through a booking service, the host must provide
17 and advertise his or her short-term rental license number.

18 This ensures that the District will receive all
19 applicable taxes including the hotel occupancy tax. It also
20 means that hosts will no longer be able to evade the zoning
21 regulations.

22 A license can be issued only for owner occupied
23 property. That is the host's primary residence. Thus short-
24 term rentals are limited to home sharing. A host may offer
25 multiple short-term rentals at a single property subject to

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1 all applicable occupancy limits such as the greater of eight
2 guests or two guests per bedroom.

3 A host must stay at the residence unless he or she
4 has a vacation rental endorsement. And vacation rentals are
5 limited generally to 90 days cumulatively per year.

6 You may hear testimony that argues for investor
7 owned short-term rentals or against a 90-day limit on
8 vacation rentals. Witnesses may cite different limits in
9 other cities. I urge the Commission to resist a temptation,
10 if there is any, to revisit these issues. While the Zoning
11 Commission, of course, has exclusive jurisdiction over the
12 zoning regulations, our licensing law would preclude these
13 changes.

14 Nonetheless, let me take a moment to survey what
15 other jurisdictions have done. The technology that enables
16 short-term rental platforms such as Airbnb is fairly new.
17 As a result, only in the last few years have cities and
18 counties adopted regulations.

19 Comparatively, Washington D.C. has been a bit
20 slow. Limiting short-term rentals to a host's primary
21 residence is not uncommon. In our region, Montgomery County,
22 Prince George's County, Fairfax County, and Arlington County
23 restrict short-term rentals to the primary residence.

24 The 90-day limit is also not an outlier. While
25 Arlington has no limit and Montgomery County has a 120-day

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1 limit, Prince George's has a 90-day limit and Fairfax has a
2 60-day limit.

3 You will receive testimony or statements making
4 varied arguments about the effect of this case on housing and
5 the cost of housing in the District. The District is in the
6 midst of a housing crisis. Our population growth has far
7 outpaced housing production. And the resulting shortage has
8 increased housing costs, exacerbating the situation.

9 This crisis encourages controversy over what
10 government action will help or hurt. I believe the text case
11 before you will unequivocally help.

12 Prohibiting investor owned short-term rentals
13 means more housing units will be available for long-term
14 leases or home ownership. Indeed, over the last several
15 years, Attorney General Karl Racine has filed lawsuits
16 against investor operators for illegally converting apartment
17 buildings into Airbnb hotels.

18 On the other hand, requiring that short-term
19 rental hosts are limited to their primary residence enables
20 these District homeowners to realize extra income from their
21 property. Clearly, this helps with housing affordability.
22 It helps the senior and fixed income. It helps the single
23 mother struggling to make ends meet. It helps the young
24 couple wanting to grow their savings.

25 Some critics may argue that short-term rentals

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1 will drive up the cost of housing, just like adding an
2 English basement to one's row house may increase the value
3 of their house. I do not think this is certain.

4 Regardless, English basements require a level of
5 physical alteration that short-term rentals do not. A host
6 may short-term rental his guest bedroom or short-term rental
7 his or her basement only a couple times a month. Very
8 different scenarios than the long-term lease for an English
9 basement.

10 The upward impact of short-term rentals on
11 property evaluation is nebulous at best. Thus the effect of
12 the Council's licensing law and the text case before you is
13 to, first, preserve more investor owned housing for long-term
14 leases, second, enable homeowners to supplement their income
15 which will help with their housing costs, and third, have
16 minimal effect, if any, on real property evaluations.

17 When all 13 council members wrote to you one year
18 ago, we requested not only this text case but urged emergency
19 rulemaking. I renew that request now. There are three
20 reasons for this.

21 First, Law 22-307 is now fully effective. With
22 the September 30th revenue estimates, the city's chief
23 financial officer has determined that the financial cost of
24 the law which had been adopted subject to appropriation is
25 fully funded.

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1 Second, under the law, hosts must now have a
2 license. Licenses cannot be issued if in violation of
3 zoning. The chief financial officer estimates that 80 to 90
4 percent of short-term rentals occurred in residential zones
5 where they are prohibited. So thousands of short-term
6 rentals cannot legally operate. And now the rental platforms
7 may no longer advertise them until the Zoning Commission
8 acts.

9 Third, I estimated last year that enforcement of
10 the current zoning regulations could cost the District
11 government something like 18 million dollars a year in taxes.
12 Until the Zoning Commission acts, significant revenue will
13 be lost.

14 The text case before you is the final step needed
15 to permit home sharing in the District. Thousands of units
16 and thousands of homeowners are at stake. The proposal
17 before you is consistent with legislation adopted unanimously
18 by the Council. The text has been vetted by the Office of
19 Planning and land use attorneys at the Office of the Attorney
20 General.

21 Adoption will enable the District to join ranks
22 with our surrounding jurisdictions and cities throughout the
23 country that regulate the relatively new phenomenon of short-
24 term rentals reserved through internet platforms. I urge the
25 Zoning Commission to adopt the proposed text expeditiously.

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1 Thank you for this opportunity to present and I
2 thank you for hearing this case and I welcome any questions.

3 CHAIRMAN HOOD: Thank you, Mr. Chairman. We
4 really appreciate your testimony. Before I go any further,
5 I am going to ask Commissioner Shapiro to read the record and
6 participate in this case. So I'm going to do that so he
7 won't stop watching the video.

8 All right. Let's see, Commissioners. Do we have
9 any questions of the Chairman? Vice Chair Miller?

10 VICE CHAIR MILLER: Thank you, Mr. Chairman. And
11 thank you, Chairman Mendelson, for bringing forth this
12 petition. I know it's a long road for you, but we appreciate
13 you bringing it forward.

14 So we recognize that the Council balance a lot of
15 different issues when they considered the licensing
16 regulatory framework. And you're correct in anticipating
17 that we received testimony already in the record that you've
18 mentioned.

19 So I just wanted to ask you specifically about one
20 of the letters that was submitted into the record by ANC 6C.
21 I don't know if you've seen it, but you're probably familiar
22 with -- I'm sure you're familiar with the three specific
23 recommendations that they made which -- and if you're not off
24 the top of your head to respond, that's fine. We can get
25 that in another way.

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1 But did the three recommendations that they made
2 were limiting short-term rentals to the host's own dwelling
3 unit and excluding additional units on the property which
4 they say is consistent with the current restrictions on bed
5 and breakfasts? So that's one.

6 Two, restricting occupancy to the lesser of six
7 persons or two persons per bedroom. I think the Council
8 legislation and our text amendment would track the occupancy
9 being restricted to the greater I think of eight persons or
10 two persons per bedroom as I recall.

11 COUNCIL CHAIR MENDELSON: Correct.

12 VICE CHAIR MILLER: And the third thing that they
13 recommended was restricting owner absent short-term rentals
14 to 60 days a year instead of the 90 days a year that the
15 Council, I guess, adopted and this text amendment would track
16 with the option to seek additional time in extenuating
17 circumstances as described in the Council legislation.

18 So do you have any comment on those three types
19 of recommendations, limiting the STRs to the host's own
20 dwelling unit and restricting occupancy further than
21 currently restricted and restricting owner absent -- I guess
22 vacation rentals to 60 days a year rather than 90 days? And
23 I realize there was testimony before the Council and before
24 us now going both ways on this issue.

25 COUNCIL CHAIR MENDELSON: Well, the Council, of

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1 course, has already acted, and what we've done is set in law.
2 And so those would be inconsistent with what the Council had
3 done.

4 With regard to the limiting short-term rentals to
5 the host's own dwelling unit, what that would preclude is if
6 a host had, let's say, a garage and they wanted to short-term
7 rental the garage. I think in terms of effect on
8 neighborhoods that it would have little benefit to have that
9 additional restriction.

10 I don't think there's going to be very many
11 instances. I mean, remember we're looking at a situation
12 where there's something, like, 9,000 of these short-term
13 rental units in the city. And the number that would be in
14 a garage, I can't think of what other accessory structure
15 there would be on a lot has got to be de minimis.

16 So this would be a restriction that would have
17 very little benefit in terms of what they're concern is which
18 I remember correctly I only glanced at their letter was they
19 think that this will have an adverse effect on property
20 values.

21 I would also add, and this applies to the second
22 recommendation regarding the lesser of six persons or two
23 persons per bedroom. I was mindful when the legislation was
24 going through the Council about enforcement. And the more
25 complicated we make this, the more difficult it will be to

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1 ensure that there's adequate enforcement. And I don't think
2 it's a very good law if a lot of people know that they can
3 get by with violating the law.

4 And so we tried to, in drafting the legislation,
5 be fairly generous with regard to what a homeowner can do in
6 their property. With the guiding, I'll say, theory that what
7 a person does in their primary residence -- remember this is
8 primary residence. It's their home. It's where they have
9 to be most of the year. It's probably going to be very
10 limited in terms of adverse impact.

11 I can't imagine there are very many people who
12 would have, what is it, more than four bedrooms which they
13 should have two persons or more per bedroom. That's a lot
14 of work. So again, I think this is reacting to essentially
15 a nonissue.

16 The third with regard to restricting the vacation
17 rentals to 60 days a year, there was a lot of testimony about
18 that. The bill that's introduced was 15 days if I remember
19 correctly. We looked at what other jurisdictions have done.
20 I touched on that in my testimony.

21 I didn't mention this. But, like, San Francisco
22 is at 90 days and they have a huge housing problem. New
23 Orleans has been grappling with this. They're at 90 days.

24 Ninety days, there was some controversy about that
25 number which is why an amendment was made at second reading

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1 to allow an exception from the 90 days for people who could
2 show that they're out of town because of their job, for
3 example, for a long period.

4 So shortening it, we went through that. And
5 shortening it, I would say, is a little bit outside the
6 median, if you will, with regard to other jurisdictions. And
7 it was clearly not where a majority of the Council wanted to
8 do. Does that help you?

9 VICE CHAIR MILLER: Yes, thank you very much.

10 CHAIRMAN HOOD: Any other questions or comments?
11 Commissioner Turnbull?

12 COMMISSIONER TURNBULL: Yeah. Mr. Chairman, thank
13 you for coming tonight. Isn't 90 days one of the -- isn't
14 that the lesser of most of the jurisdictions in the area,
15 what you're proposing?

16 COUNCIL CHAIR MENDELSON: Well, Montgomery is 120.
17 Prince George's is 90. Fairfax County is 60.

18 COMMISSIONER TURNBULL: Oh, Fairfax is 60, yeah.
19 Montgomery is 120?

20 COUNCIL CHAIR MENDELSON: Yes.

21 COMMISSIONER TURNBULL: And Arlington is not
22 regulated as I understand?

23 COUNCIL CHAIR MENDELSON: They have a restriction,
24 but the restriction is -- let me see. I'm not seeing it.

25 CHAIRMAN HOOD: I don't want to tell what I

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1 normally say because I know that's probably the Chairman's
2 staff. But are you with the Chairman's staff? Oh, okay.
3 Well, no, I'm going to say it anyway.

4 We actually don't really take testimony. We try
5 to run an organized hearing down here. So I would ask
6 everybody to work with us. Thank you. From the audience.

7 COUNCIL CHAIR MENDELSON: I think, based on what
8 I'm looking at, I think Arlington doesn't have a limit --
9 time limit.

10 COMMISSIONER TURNBULL: Okay. Thank you.

11 CHAIRMAN HOOD: So Mr. Chairman, I have a few
12 questions, and I'm not trying to relitigate or relegislate
13 or anything. But what concerned me was when I look at Office
14 of Planning's report that we did wait on because they were
15 doing an extensive report. Have you had a chance, Mr.
16 Chairman, to look at the planning report?

17 COUNCIL CHAIR MENDELSON: I actually read it with
18 excitement when it came out in August.

19 CHAIRMAN HOOD: So maybe I just -- on page 6 of
20 6, it starts off with two current statutory requirements of
21 hosts have been raised as problematic. And it goes on to
22 talk about, first, the law requires that a host may only rent
23 their primary residence through an allowance for one
24 additional premises to be eligible as a short-term rental,
25 would not be unreasonable permissive.

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1 Second, the law limits hosts not physically
2 present on the short-term rental premises to 90 days per year
3 of a rental availability which is more restrictive than
4 regulations imposed on some nearby jurisdictions as
5 illustrated in Table 3 above.

6 And in the table, going back to what you and
7 Commissioner Turnbull were just discussing. The way I read
8 this table -- and some of these questions I'm going to ask
9 Office of Planning. That was my first point. That's saying
10 -- that to me is saying is problematic seems to be that they
11 believe -- I believe and the way I interpret it to be is some
12 issues.

13 It looks like from what it says on this chart
14 Montgomery County has not regulated the owner residence on
15 site. But it has 120 days max if owner is not on site. So
16 that to me -- unless I'm missing something, that discussion
17 that you had was kind of different from what we have in the
18 report. And I may be missing something. If I am, I will
19 stand to be corrected.

20 COUNCIL CHAIR MENDELSON: Actually, what I
21 testified to is not -- doesn't conflict with what the Office
22 of Planning has. At least I don't think it does. Montgomery
23 County -- so we used to term vacation rental where the owner
24 doesn't have to be there. It has to be their primary
25 residence.

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1 So think about somebody who's going on vacation
2 for two months in the summer and they going to rent out their
3 house while they're on vacation. That would be a vacation
4 rental. They don't have to be present.

5 CHAIRMAN HOOD: But it's their primary residence,
6 right?

7 COUNCIL CHAIR MENDELSON: It's their primary
8 residence.

9 CHAIRMAN HOOD: Right.

10 COUNCIL CHAIR MENDELSON: And we say 90 days for
11 a vacation rental. Montgomery County says 120 days. They
12 have no time limit if the owner resides on site. But then
13 we also have no time limit if the owner is there. That is
14 we don't have -- you can do the member through primary
15 residence. You can do 360 days. I don't know why you'd want
16 to do that, but you can do 360 days. So we're -- what I
17 testified to before is not inconsistent with what's on this
18 table.

19 CHAIRMAN HOOD: Okay.

20 (Simultaneous speaking.)

21 CHAIRMAN HOOD: Maybe because I will go to the
22 Office of Planning because I'm maybe not understanding what
23 I see. And I will tell you that as I read through the record
24 of the case, I could tell some people were -- I can tell it's
25 a very complex issue. Some people were in support of what

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1 the Council did. But in their letter, they're asking us to
2 do something different but they were supporting it.

3 So I could tell there's a lot of confusion, and
4 I know you all have probably been through that. Because I
5 definitely went through it when I started reading this, and
6 I'm still kind of confused. Even that last comment that you
7 and I just -- that exchange you and I just had. Because when
8 I read the report, the way I interpret it may be incorrect.
9 But I will go to the office of that report.

10 COUNCIL CHAIR MENDELSON: If I could say a little
11 bit more. So the Office of Planning in their table, their
12 numbers are the same with regard to Montgomery and Prince
13 George's, Fairfax, Arlington.

14 They picked some other cities like Baltimore and
15 Philadelphia, Portland, San Francisco, San Jose, and Seattle.
16 I didn't mention other cities, but I asked my staff to look
17 at New York City, Boston, Philadelphia I mentioned, New
18 Orleans, Chicago, San Francisco, Los Angeles, Seattle.

19 We kind of picked some of those. I'm not quite
20 sure why we picked those cities and not some others. We were
21 kind of looking at big cities. And again, with regard to the
22 primary residence, that is it has to be your primary
23 residence, that's pretty typical across these jurisdictions.

24 To be honest with you here, let me see.
25 Alexandria I think is silent on this entirely. New York City

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1 is silent. New Orleans and Chicago were the only two -- no,
2 and Seattle that didn't require that. But other cities like
3 Los Angeles, San Francisco, Philadelphia, Boston.

4 So that's -- and my statement was that's not
5 uncommon to limit it to the primary residence. And that
6 makes for a lot of other controls. You don't have the
7 problems that you get with the investor units where the owner
8 is now present. You're more likely to have party houses.
9 You're more likely to have much more of a hotel type
10 situation.

11 So I mean, we can look at different cities. There
12 are a lot of different cities. And we'll see variations.
13 But as I said in my testimony, the primary residence and the
14 90 days is quiet common.

15 CHAIRMAN HOOD: Okay. My last question, Mr.
16 Chairman, is I don't know if you had a chance or your staff
17 had a chance to look at ANC 1A's submission. You talk about
18 6C, right? Okay.

19 1A says we suggested the zoning regulations adopt
20 its own definition of short-term rentals to ensure the future
21 action by the D.C. Council and may effectively change the
22 zoning regulations. Did you see ANC 1A's letter?

23 COUNCIL CHAIR MENDELSON: I did. I didn't really
24 focus on that point because they were generally very
25 agreeable with the text case.

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1 CHAIRMAN HOOD: Because --

2 COUNCIL CHAIR MENDELSON: That's what I focused
3 on.

4 CHAIRMAN HOOD: Because my thing is -- and I will
5 ask OAG this as well. If the Zoning Commission -- and I'm
6 just throwing all this out there because I'm still trying to
7 make sure I understand and make the best decision for the
8 city as everyone else has been doing is that if the zoning
9 regulations don't match up with the law, I know that sounds
10 probably kind of off the wall. But it could be a
11 possibility.

12 If that doesn't happen, then are we with the
13 Council? Do we look at anything, or where will we end up?

14 COUNCIL CHAIR MENDELSON: Well, I don't think in
15 the short term the Council is going to revisit this. If you
16 adopted the regulations to limit it to 60 days for the
17 vacation rentals, then compliance with zoning which is a key
18 requirement. And the licensing law would have the effect of
19 limiting the rentals to 60 days. I do think you have to be
20 mindful of compliance issues, the ability to enforce that,
21 which I admit is an issue with the 90 days as well.

22 CHAIRMAN HOOD: Okay. All right. Thank you.
23 Let's see if we've got anything. Vice Chair Miller?

24 VICE CHAIR MILLER: Can I just follow up on that
25 point, Mr. Chairman? If we were to -- and I'm not saying

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1 that we were considering this. But just -- you just made the
2 point of if we did 60 days, more restrictive that would be,
3 what would be the --

4 COUNCIL CHAIR MENDELSON: Would be controlling,
5 yes.

6 VICE CHAIR MILLER: Yeah. But if we went the
7 other way, 120 days, the licensing requirement I assume 90
8 days, the more restrictive licensing requirement would be
9 controlling until and unless the Council changed that --

10 COUNCIL CHAIR MENDELSON: Correct.

11 VICE CHAIR MILLER: -- licensing requirement?

12 COUNCIL CHAIR MENDELSON: That's how I read it.

13 VICE CHAIR MILLER: Okay. And just one other
14 question, not really related to zoning. But it's in your
15 testimony, so I just was curious about it.

16 You reference that the city would lose 18 million
17 dollars -- could lose 18 million dollars a year if the
18 current zoning regulations which prohibit or don't permit
19 short-term rentals in any residential neighborhood right now
20 if the current zoning regulations aren't changed and if the
21 zoning regulations were enforced.

22 Do you know, just out of curiosity, is the city
23 actually -- it was my understanding that the CFO has some --
24 chief financial officer of the city has some kind of MOU with
25 the home sharing company, platform companies where they are

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1 collecting taxes from Airbnb and VRBO and that the city is
2 collecting.

3 Is it up to 18 million dollars a year currently
4 because they're not enforcing the zoning regulations right
5 now?

6 COUNCIL CHAIR MENDELSON: Yes. But you see, I
7 think all that's changed with the applicability of the law.
8 So the law hasn't been effective until now. The CFO
9 certifies --

10 VICE CHAIR MILLER: So you reference the
11 advertising, for example. Now they can't --

12 COUNCIL CHAIR MENDELSON: Yes. Correct. Now --

13 VICE CHAIR MILLER: Is that being enforced,
14 though?

15 COUNCIL CHAIR MENDELSON: I expect it over the
16 next month or two we're going to see this transition period.

17 VICE CHAIR MILLER: Yeah.

18 COUNCIL CHAIR MENDELSON: And the CFO can be a
19 little bit hard on us with the physical impact statements.
20 But the CFO makes the case that with the law, DCRA is not
21 required to do certain things. And one of them is that it
22 has to enforce the platforms cannot advertise without a
23 license number. And so DCRA is going to have to issue
24 licenses.

25 And now they have a clear license to issue.

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1 Before, which was it, a bed and breakfast or was it just a
2 home occupation permit? That was not clear. Now they know
3 exactly what they have to do, and they have to do that. The
4 law is effective.

5 So the revenue impact comes from the CFO saying
6 that the illegal units will go away which is not what we
7 want. I mean, the Council got a lot of pressure form the
8 short-term rental hosts, particularly with regard to home
9 sharing. And the home sharing units is what we've permitted
10 but are illegal under the zoning regulations. That's why
11 we're here.

12 VICE CHAIR MILLER: Thank you.

13 CHAIRMAN HOOD: Any other questions up here?
14 Okay. I want to thank you, Mr. Chairman. We know that
15 probably hundred meetings want you tonight. So if you want
16 to say, you're more than welcome as you know. And if you
17 have to leave, we understand.

18 COUNCIL CHAIR MENDELSON: Well, I think I should
19 stick around for --

20 CHAIRMAN HOOD: Okay. You can hold your seat
21 right there.

22 COUNCIL CHAIR MENDELSON: -- at least a while
23 because who knows if you may have more questions.

24 CHAIRMAN HOOD: Okay. All right. Thank you.
25 Okay. Let's go to the Office of Planning. Mr. Kirschenbaum?

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1 MR. KIRSCHENBAUM: Good evening, Chair Hood, and
2 members of the Zoning Commission. The Office of Planning
3 recommends approval of the proposed text amendments to permit
4 short-term rentals. We rest on the record of our staff
5 report and are happy to answer any questions the Commission
6 may have. Thank you.

7 CHAIRMAN HOOD: Commissioners, any questions for
8 the Office of Planning? Vice Chair Miller?

9 VICE CHAIR MILLER: Thank you, Mr. Chairman. The
10 text amendment references all of these residential zones
11 where short-term rentals will be explicitly permitted
12 consistent with the Council legislation. It doesn't
13 reference, as I recall, downtown commercial zones, for
14 example, where a lot of residential is located.

15 Do those zones already permit that use as a matter
16 of right explicitly? Or does that need to be explicitly
17 addressed in this text amendment?

18 MR. KIRSCHENBAUM: Our -- well, we understand from
19 the zoning administrator is that, for instance, if you're in
20 a downtown zone and let's say you have a -- which is a mixed
21 use zone. You have a residential apartment building. That
22 building has 100 dwelling units in it. They have a CO from
23 the zoning administrator for 100 dwelling units. That means
24 they cannot use them for any other use. So because they have
25 a certificate of occupancy for residential use --

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1 VICE CHAIR MILLER: Oh, so you're referring to the
2 condominiums.

3 MR. KIRSCHENBAUM: -- they'd have to -- well, it
4 would be any sort of dwelling unit in a condo building, co-op
5 building, or -- sorry, when I said apartment building, I
6 meant condo or co-op. You would have to get a short-term
7 rental license from the zoning administrator. That building
8 has a CO for residential use. And short-term rentals are an
9 accessory use that are permitted in residential dwelling
10 units.

11 VICE CHAIR MILLER: So those downtown commercial
12 residential buildings don't need to have an explicit
13 reference in this text amendment? They are already permitted
14 as an accessory use currently?

15 MR. KIRSCHENBAUM: Well, I will also say that the
16 --

17 VICE CHAIR MILLER: Because they're C3?

18 MR. KIRSCHENBAUM: Well, the proposed text does
19 have a provision for the downtown zone. And if it doesn't,
20 that is something that probably should be added in.

21 VICE CHAIR MILLER: That's what -- that was
22 actually my -- I didn't see it, but I may have missed. So
23 I just was -- that's why I was asking a question.

24 MS. STEINGASSER: On the OP report, it's Item No.
25 5. We say revisions to use permissions. And then on the

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1 second line, it says, in D zones which was downtown zones.

2 VICE CHAIR MILLER: Thank you. That answers my
3 question.

4 CHAIRMAN HOOD: Okay. Any other questions? Mr.
5 Kirschenbaum, you heard the exchange that I had with the
6 Chairman. I'm just trying to make sure I understand what you
7 have on your report. On page 6 of 6, to me, when I read it,
8 it seemed like the Office of Planning was a little different.
9 The Chairman is happy with the report, so it must be that you
10 all agree 100 percent.

11 But when I read this -- when I read it, and maybe
12 I'm not understanding. I'll be the first to admit. It says,
13 problem. When I see the word, problematic, am I reading too
14 much into that? Should I stop reading right there, or should
15 I continue to read? Because you're making -- to me, it looks
16 like you're making some recommendations for the future. Is
17 that assumption correct?

18 MR. KIRSCHENBAUM: Thank you for asking us to
19 clarify. OP was simply noting for the Commission's
20 information some of the concerns that had been raised by the
21 public. That being said, we recommend approval of zoning
22 text amendment as is.

23 CHAIRMAN HOOD: Okay. That was short. Anything
24 else? All right. Thank you, Mr. Chairman and thank you,
25 Office of Planning. All right. We have a list. Do we have

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1 a list?

2 MS. SCHELLIN: Do you want the two ANCs to come
3 up first?

4 CHAIRMAN HOOD: Do we have -- okay.

5 MS. SCHELLIN: We have --

6 CHAIRMAN HOOD: ANC 1A and 6C?

7 MS. SCHELLIN: Yes, Michael Ray --

8 CHAIRMAN HOOD: Do we have any other ANCs?

9 MS. SCHELLIN: -- and Joel Kelty or Christine
10 Healey. Okay.

11 CHAIRMAN HOOD: Do we have any other ANCs in the
12 house? Okay. We will hear these first. Thank you. We're
13 start to my right, your left. Yeah, you, and you may begin.
14 Identify yourself. You may begin.

15 MR. WRAY: Good evening, Mr. Chairman, and the
16 Commission. My name is Michael Ray. I'm here representing
17 ANC 1A and the resolution that we passed by a majority of our
18 Commission is in the record. I'll do a few highlights, but
19 I do want to thank the Chairman for mentioning our question
20 to the Chairman of the Council.

21 We are in support of a text -- I'm sorry. I
22 thought I heard something. We are in support of a text
23 amendment to bring harmony between the zoning regulation and
24 the law that was passed by the Council.

25 We think that's very important. It supports our

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1 residents. We know a lot of them do afford their homes
2 through the use of Airbnb and these other services. And we
3 want to see that be able to continue and as quickly as
4 possible.

5 However, our concern as someone has already noted
6 is that the way in which we are doing the text amendment by
7 a reference. Rather than incorporating an actual definition
8 within the zoning regulation like we do with any other use,
9 we are referencing the law. And by doing so, I think there
10 are two potential problems.

11 One is that if the issues that were raised in the
12 OP report rise to the level of a court challenge, where will
13 that leave us? If a court decides that that law is -- I
14 won't use the word unconstitutional. But if they decide that
15 that law isn't going to hold up, where would that leave the
16 definition within the use? Will we be back here again having
17 to have the same discussion because we didn't include a
18 definition in the first place?

19 And then the second challenge for us was if next
20 year the Council decides to change the law again, where is
21 this Commission? It doesn't seem like they would be involved
22 at all. The Office of Planning as said that if the law
23 changed in the future, you would not necessarily have to go
24 back and change the regulation. And we see those two issues
25 as being at least worthy of discussion.

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1 Again, we do support it. We want to see this
2 done. But we want to see it done correctly. So our
3 recommendation to you is to try and include an actual
4 definition. I could only find three other places in the
5 current regulation where we're using a reference to an act.
6 That was the healthcare facility definition, the emergency
7 shelter definition, and to a much less degree, pet shops.
8 But it wasn't quite to that level.

9 So if you wanted to look at those, you could see
10 them as examples where we have done before. Sorry, you have
11 done it before. But I don't think that it's the kind of
12 precedent you want to continue with. And with that, I'll end
13 my discussion.

14 CHAIRMAN HOOD: Thank you, Commissioner. Next,
15 and we may ask our questions when you both finish.

16 MR. KELTY: Good evening. My name is Joel Kelty.
17 I'm a Commissioner for ANC 6C located on Capitol Hill. I'm
18 also a licensed architect and a real estate investor, so I
19 have some familiarity with the zoning regulations and the
20 impacts they have on the social environment.

21 I'm here to testify on behalf of ANC 6C to state
22 our strong opposition to the rulemaking proposal put forward
23 by the Office of Planning. We urge the Commission to, A,
24 adopt complete regulations concerning short-term rentals or
25 STRs instead of simply incorporating the Council legislation

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1 by reference. And B, to make those regulations more
2 stringent than those approved by the Council.

3 As an initial matter, ANC 6C objects to the
4 suggestion by OP that the Zoning Commission meekly adopt the
5 Council legislation wholesale by inserting a cross reference
6 in the Title 11 definitions. It is shocking that OP would
7 advise the Commission to abdicate its authority in this
8 fashion, and we urge the Commission not to do so.

9 Adopting Council legislation by reference could
10 allow the Council in the future to unilaterally modify the
11 zoning regulations simply by changing the referenced
12 legislation. Such a move is unprecedented and unwise and it
13 undermines the zoning regulations and the authority of this
14 Commission.

15 We recommend that the Commission adopt its own
16 more restrictive standards for short-term rentals. As
17 detailed below, the Council legislation would drive up the
18 cost of rental and for sale housing, reduce the supply of
19 affordable housing. And as a result, if incorporated into
20 the zoning regulations, be plainly inconsistent with the
21 comprehensive plan.

22 It is true that the Council legislation forecloses
23 the most egregious uses of long-term housing for STRs. Under
24 the Council standards, an owner may not buy up row houses
25 willy nilly and convert them all, including those where the

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1 owner does not reside into mini hotels.

2 However, the Council's rules would still permit
3 the owner of a three bedroom or larger row house to dedicate
4 two-thirds of the units to full-time STR use in addition to
5 any rental of the owner occupied unit. Likewise, the
6 Council's decision to allow the greater of eight persons or
7 two persons per bedroom imposes no meaningful cap on capacity
8 or occupancy.

9 We have observed the adverse impacts in our own
10 ANC. Homeowners eager to monetize their properties have
11 taken units off the long-term housing rental market and
12 devoted them instead to STRs. The effect is doubly harmful
13 in that it both drives up housing prices because more value
14 can be extracted from the house via STRs and reduces the
15 overall supply of long-term housing for District residents.

16 Our observations cannot be dismissed as mere
17 anecdotes. Recent academic papers assessing the impacts of
18 Airbnb on the rental markets in Barcelona and the U.S.
19 overall reached the same conclusions. Increased STR use
20 correlates strongly to higher rents, less long-term rental
21 housing, and increased housing prices. And our letter
22 includes citations to those specific research papers.

23 Nor are these impacts simply a matter of
24 generalized policy. On the contrary, they go directly to and
25 this case stand in stark contrast with the principles and

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1 objectives laid out in the comprehensive plan.

2 Woven throughout the comprehensive plan are
3 repeated and emphatic statements of the central importance
4 of housing affordability, expanding the housing supply, and
5 promoting home ownership. We're provided specific examples
6 in our written testimony which I will not now recite for
7 brevity.

8 Remarkably, the OP report cites none of these
9 provisions of the comprehensive plan. Instead, OP quotes
10 provisions such as Policy LU2.3.10 which expressly commands
11 transient uses such as larger bed and breakfasts and small
12 inns be regulated through this special exception process and
13 not allowed by right as the Council legislation contemplates.

14 OP's memo does on page 6 mention housing
15 affordability in passing, but only to make the remarkable
16 claim that STRs promote affordability by providing
17 supplemental income. This argument may hold true for current
18 property owners, but it disingenuously ignores the plight of
19 renters and further purchasers, both of whom face rising
20 housing costs exacerbating by the increased conversion of
21 long-term housing units to STRs, or OP simply ignores the
22 associated adverse effect on the overall housing supply.

23 While not specifically addressed in the letter ANC
24 6C sent the Commission, some Commissioners did note that the
25 proposed regulation exacerbates significant adverse social

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1 impact arising from STR operations, specifically the erosion
2 of a sense of community and disturbance of peace and quiet.

3 On Capitol Hill, many STRs are rented out full
4 time for short-term lodging by nonresident owners. The
5 people that come and go are transient and do not establish
6 relationships with residents on the block. One of the things
7 that makes Capitol Hill so wonderful is that it's a cohesive
8 neighborhood where people know each other and there's a real
9 sense of community.

10 Commissioners are also aware that some STRs are
11 being used to host disruptive parties and events, including
12 marijuana sales events masquerading as gifting parties. By
13 requiring the owner of the property to reside in the premises
14 that is being rented, disruptive parties and events will be
15 minimized and the owner of a problem STR will be likely to
16 be available and willing to help resolve disputes with
17 neighboring residents arising from their short-term rental.

18 For the reasons I've outlined, ANC 6C urges the
19 Commission to adopt its own more stringent standards to avoid
20 these adverse impacts. Limit STRs to the host's own dwelling
21 unit and exclude additional units on the property, consistent
22 with the current restrictions on bed and breakfasts.
23 Restrict the occupancy to six persons or two per bedroom, and
24 restrict the owner absent STRs to 60 days.

25 Thank you for your time and attention. I'm

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1 available for any questions.

2 CHAIRMAN HOOD: Okay. I want to thank both our
3 Commissioners. Let's see if anybody has any questions. No
4 questions, so I want to ask Commissioner -- is it Kelty?

5 MR. KELTY: Yes.

6 CHAIRMAN HOOD: Commissioner Kelty, basically the
7 only issue you really have, you want it to be more
8 restrictive and you have an issue with how it's presented to
9 us. You want us to do our own thing and not just adopt it.
10 But hasn't a lot of the legwork been done? And then if we
11 need to make it more stringent, then we can work from that
12 point back. You understand my question?

13 MR. KELTY: That's one of our concerns. It's not
14 our only concern. We agree with ANC 1A that the Zoning
15 Commission should adopt its own regulations and its own
16 definitions and not incorporate the Council's definition by
17 reference. This Commission controls the zoning regulations,
18 and our ANC wants that to remain the case.

19 CHAIRMAN HOOD: Okay. All right. And I heard
20 your concern about the definitions as well. So thank you
21 both. Let's see. Commissioner May?

22 COMMISSIONER MAY: Yeah, I want to follow up on
23 that same issue. So I think it was Commissioner Wray. You
24 mentioned that there were -- you did find other places in the
25 zoning regulations where we had done this in the past. And

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1 are you saying that was a mistake, or -- I mean, because
2 there's clearly precedent for doing this.

3 I mean, I think that's one of the things that was
4 a little bit of a concern to me because I think the Zoning
5 Commission, because we operate independently of Council that
6 we should not be relying so directly on their language. But
7 we've done it before. So why should we not continue that?

8 MR. WRAY: I did consider that, and my thought was
9 short-term rentals touch so many people that that has to be
10 considered. When you're talking about a health care facility
11 or an emergency shelter, those probably have a very defined
12 legal definition.

13 This is very broad. This touches -- there are a
14 lot of people in this room tonight, and I think it's just
15 important that we make sure that it's done correctly and it
16 can follow the chain.

17 Right now, if you adopt the language as it stands,
18 the people in this room will then have to read that and then
19 go to another place, find the law, understand that, work with
20 DCRA. It's -- I would think of it as simply more
21 complicated.

22 And you asked the question, did you make a
23 mistake? I unfortunately was not involved in the prior
24 decision, so I won't say that they were a mistake. But I
25 would say that it's a trend I wouldn't want to see you

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1 continue.

2 COMMISSIONER MAY: Right. Yeah, I can understand
3 there's a difference in who's affected by this particular
4 definition and use than in some of the other examples. So
5 I can understand that.

6 But your suggestion, and I think this probably --
7 both of your suggestions is that we essentially should use
8 the definition that the Council used, more or less. I mean,
9 I know that you're arguing for more restrictive and the ANC
10 6C is arguing for more restrictive conditions for the --
11 when or what will be done. But essentially it's the same
12 concept, that it would to find in the zoning regulations word
13 for word --

14 (Simultaneous speaking.)

15 MR. WRAY: Well, I don't know if it would need to
16 be word for word because there are certainly aspects of the
17 definition that don't relate. I don't know --

18 COMMISSIONER MAY: They're related to zoning.

19 MR. WRAY: -- that they relate to zoning.

20 COMMISSIONER MAY: Yeah.

21 MR. WRAY: They really relate to operations --

22 COMMISSIONER MAY: Got it.

23 MR. WRAY: -- just like --

24 COMMISSIONER MAY: So parallel.

25 MR. WRAY: -- an alcohol -- yeah, parallel to an

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1 alcohol establishment that then works with ABRA through a
2 long list of regulatory things that they have to do. So --

3 COMMISSIONER MAY: Right.

4 MR. WRAY: But we don't have a reference to an
5 ABRA law in order to make that work.

6 COMMISSIONER MAY: Right. Okay. I can appreciate
7 the wisdom of that approach. Thank you.

8 CHAIRMAN HOOD: All right. I'm going to ask Mr.
9 Tondro. If we can look at the solid waste handling
10 facilities case in 1998, I think that we may have done the
11 same thing. I remember some of that. So I would like for
12 us to also add that. And I appreciate the work that both of
13 you all have done. Any other questions up here? All right.
14 Thank you, both. Appreciate it. Thank you.

15 Okay. Report of other government agencies, we
16 have a number of reports, both in support and other
17 associations. But I think we'll hear from a number of those
18 this evening, so I won't go through that. So we'll go to
19 testimony of organizations and individuals, and we will just
20 go in the order Ms. Schellin has. I don't see any opponents.
21 I see proponents.

22 MS. SCHELLIN: I just have the proponents listed
23 right now.

24 CHAIRMAN HOOD: Oh, okay.

25 MS. SCHELLIN: Yes, so they'll know --

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1 CHAIRMAN HOOD: So since my --

2 MS. SCHELLIN: -- where they are.

3 CHAIRMAN HOOD: Since yours is moving, I'm going
4 to -- mine is moving. Is yours moving?

5 MS. SCHELLIN: Mine is not.

6 CHAIRMAN HOOD: Okay. Could you call the names?

7 MS. SCHELLIN: Yes.

8 CHAIRMAN HOOD: Mine is moving.

9 MS. SCHELLIN: Solomon Keene, Yvette Bourcicot,
10 Laurent Wolfe, Cindy Hays, Michael Wray -- oh, I'm sorry.
11 He's already testified. William DiMonte, Susan Cole, and
12 Julie -- I'm sorry, Judy Gulelat. If I mispronounced them,
13 I apologize. How many is that?

14 CHAIRMAN HOOD: So --

15 MS. SCHELLIN: Everyone here that I called?

16 CHAIRMAN HOOD: You have five. We need three
17 more.

18 MS. SCHELLIN: All right. Let's go to page 2.

19 And my list does not want to move. Okay. Then --

20 CHAIRMAN HOOD: What was the last name you called?

21 MS. SCHELLIN: -- we have Jamika Sharpe, Lauren
22 Spokane, Sam Epps. And I think that might --

23 CHAIRMAN HOOD: So we -- I will say this, Ms.
24 Schellin, while it's on my mind. We need to get this fixed.

25 So I can their names, it could stay stationary because this

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1 goes up.

2 MS. SCHELLIN: Yeah. He just needs to bring your
3 piece of equipment out here.

4 (Simultaneous speaking.)

5 MS. SCHELLIN: Because this is always going to
6 move.

7 CHAIRMAN HOOD: Okay.

8 MS. SCHELLIN: Yeah.

9 CHAIRMAN HOOD: All right.

10 MS. SCHELLIN: Okay. That's eight.

11 CHAIRMAN HOOD: We need one more. Let's get one
12 more person.

13 MS. SCHELLIN: One more? Okay. Synta Keeling.

14 CHAIRMAN HOOD: So is Ms. Keeling present? Okay.
15 Let's call the next person.

16 MS. SCHELLIN: Okay. Anneliese Bruner?

17 CHAIRMAN HOOD: Ms. Bruner here? Okay. So we're
18 going to start to my left. Well, we'll start to my right.

19 MS. SCHELLIN: And that's all of the proponents.

20 CHAIRMAN HOOD: Oh, okay. All right. Is there
21 anyone else who would like to testify as a proponent in
22 support? After this panel, anybody else? If you'd just
23 raise your hand, I can see how many we got. Okay. So we
24 have one person after this. I'll call -- okay, two. We'll
25 those last call and then we'll go from there. Let's start

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1 with you.

2 MR. KEENE: Good evening, Chairman Hood and
3 members of the District of Columbia Zoning Commission. I am
4 Solomon Keene, president and CEO of the Hotel Association of
5 Washington, D.C., a trade associating representing the
6 interest of hotels in the District of Columbia with over 90-
7 plus members.

8 Hotels in the District generate over 273 million
9 dollars in tax collections to our city each year, employ over
10 15,000 employees, and pay over 780 million dollars in wages.

11 I'm here to testify in support of Case 19-15, a
12 public hearing report for a proposed text amendment to
13 Subtitles B, H, K, and U to authorize short-term rentals.

14 On November 13, 2018, the District Council
15 approved Act 22-563, the Short-Term Rental Regulation and
16 Affordable Housing Act of 2018. This law allows for the
17 Department of Consumer and Regulatory Affairs to license the
18 operation of short-term rentals and requires STRs to comply
19 with the applicable zoning regulations.

20 However, current zoning regulations prohibit STRs.
21 The proposed amendment before the Commission would amend the
22 zoning regulations to permit STRs as an accessory used in
23 residential zones. The intent of the law was for it to
24 become effective on October 1st. But without a change to the
25 zoning law, short-term rentals will remain illegal, forcing

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1 homeowners to either continue to operate illegally or forego
2 listing their properties for rent.

3 Amending the zoning regulations would give DCRA
4 enforcement capabilities to ensure that homeowners obtain the
5 license and abide by District regulations regarding health
6 and safety standards. Issuing licenses is a necessary step
7 in regulating a growing market that diverts housing options
8 from long-term renters.

9 The zoning regulations must be amended to make
10 clear that homeowners would be allowed to rent their property
11 on a home sharing website as long as they are also present
12 in the home during the short-term rental stay and they
13 receive a license from the District.

14 The District must set clear guidelines for owners
15 listing their properties as well as the company's operating
16 home share website. For these reasons, HAWDC supports
17 amending the zoning laws to authorize short-term rentals as
18 described in D.C. Act 22-563.

19 Thank you for the opportunity to testify regarding
20 this important issue to our industry and our city, and I
21 welcome any questions that you may have.

22 CHAIRMAN HOOD: Great, thank you. Next, if you
23 can hold your seat, next.

24 MS. BOURCICOT: Good evening, Chairman Hood and
25 members of the Commission. My name is Yvette Bourcicot, and

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1 I'm a policy manager at Airbnb.

2 Airbnb supports the proposed zoning text amendment
3 regulating short-term rentals or STRs. We're joined here by
4 some of our hosts. The new STR law passed by the Council
5 requires STR hosts to obtain licenses from DCRA and to comply
6 with zoning regulations. The zoning amendment will allow the
7 zoning regulations to address STRs in a manner that is fair
8 and consistent with the new law.

9 Airbnb is an online rental platform that provides
10 opportunities for District residents to rent out all or a
11 portion of their homes on a short-term basis. Guests use our
12 website to choose a place to stay and either meet host in
13 person when they arrive or make other arrangements for access
14 to the homes.

15 Airbnb is just one of many platforms that helps
16 to facilitate short-term rentals. Altogether, short-term
17 rentals represent a substantial number of accommodations for
18 visitors to the District. Our platform alone has 9,700
19 active listings, and each one represents a win for a host,
20 a win for a guest, and a win for the District, and let's talk
21 about each one.

22 For many Airbnb hosts, home sharing has been a
23 lifeline. It provides supplemental income to help offset
24 rising rents and property taxes and keep housing affordable
25 for many residents.

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1 Many Airbnb hosts report that they earn several
2 thousand dollars in extra annual income which they then
3 dedicate to paying their mortgages and property taxes. Home
4 sharing has even helped some of our District hosts avoid
5 foreclosure or eviction and help some of our elderly
6 residents age in place.

7 For guests, STRs can be a godsend. D.C. has among
8 the highest hotel rates in the country and lodging costs can
9 put a visit to the nation's capital out of reach for the
10 average American family. Affordable STRs are an option that
11 allows more travelers the opportunity to explore the rich
12 history and culture that D.C. had to offer.

13 And STRs are great for the District. Short-term
14 rentals encourage tourists stay and patronize all parts of
15 the District. For example, there are no hotels east of the
16 Anacostia River, and home sharing has enabled visitors to
17 discover and enjoy these vibrant areas.

18 In addition, Airbnb and our D.C. host community
19 are proud to have contributed more than 45 million dollars
20 in tax revenue to the District over the past four years.
21 These tax dollars help D.C. fund everything from education
22 to infrastructure to affordable housing.

23 Opponents to the District's STR legislation have
24 argued that Airbnb is facilitating the conversion of housing
25 units into hotel rooms. This is a fallacy. STRs are already

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1 permitted in owner occupied homes under existing home
2 occupation regulations. In fact, while the technology driven
3 platforms for STRs may be relatively new, the concept of
4 short-term rentals is not.

5 We've also heard concerns about the
6 commercialization of residential neighborhoods. The
7 legislation prohibition against rentals that are not owner
8 occupied to do much to alleviate those worries.

9 The Zoning Commission's amendments do not create
10 a new category of transient use. They merely add clarity and
11 flexibility to existing regulations and streamline the
12 Council's recent legislation on STRs. Together with the
13 Council's legislation, the amendments will ensure that
14 accountability and operational measures are in place for STR
15 operators and renters.

16 We fully support the Office of Planning analysis
17 and recommendation of the proposed zoning text should not
18 duplicate operational parameters in the Council legislation
19 which are better managed and enforced by DCRA. The zoning
20 text should be flexible to ensure that DCRA and the Council
21 can respond quickly and efficiently to the evolving
22 technology of web-based STR platforms.

23 We believe the proposed zoning text strikes the
24 right balance between operational controls for STRs which
25 will be governed by DCRA and permitted zoning uses.

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1 Thank you very much for considering this proposal.
2 We hope it earns your support. Airbnb and all our District
3 resident hosts look forward to working with you as this
4 process moves forward, and I'm available for any questions
5 you may have.

6 CHAIRMAN HOOD: Thank you. Next? Turn your mic
7 on.

8 MS. COLE: Good evening, Chairman Hood and
9 committee members and everyone else in the room. My name is
10 Susan Cole. I have been an Airbnb host for several years or
11 STRs you call them.

12 And my -- I think that everybody that's spoken
13 here has pretty much laid out the conditions. We know that
14 there's no zoning law at this time, and we also know that
15 there's limitations now with the Council's recently passed
16 law.

17 So I want to talk about my situation a little bit
18 more personally so you know that there are people behind
19 this. It's not just a piece of legislation.

20 I am a senior. I have been a teacher -- special
21 education teacher. I've never really made a lot of money.
22 My late husband was a local artist and a fairly well known
23 and contributing community member.

24 When he passed away, I needed extra income. I
25 don't have a huge retirement from being a teacher. My

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1 property taxes have gone up. My utilities have gone up
2 recently, especially water with all the infrastructure work.
3 So every price keeps going up.

4 There is a law that protects older people from job
5 discrimination. But do you really think when I put -- and
6 I'm 70 years old -- on a job application that I'm going to
7 get hired for a job that they can hire a 25 year old or a 40
8 year old person who's going to be there a long time?

9 So this is reality that I'm talking about, and all
10 of this income has really helped me stay in the city. And
11 I do community service. I work with the after school program
12 with children. I do lots of things to contribute to the
13 culture of the city. If you want a city with only people
14 that are of a certain age and a certain income, then we're
15 going to get that if we keep going in the direction that
16 we're going.

17 I think people my age and many of my neighbors who
18 have been there for a very long time in the District have a
19 lot to contribute. We know how the District operates. I'm
20 the one that tells the younger people down the street to keep
21 the alley clean, to put their trash correctly into the right
22 bins and get it out there and don't leave detritus to attract
23 rodents or just bad energy.

24 So I want to stay here. That's my story. And for
25 me to be denied extra income and just to pay all the bills

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1 that I need to pay, I'm not trying to buy a fancy car or even
2 redo my kitchen. But I just want to live in the community,
3 in the neighborhood that I've lived in since 1990. And I
4 want to keep contributing to the city as a good citizen
5 because I really do like it here.

6 Thank you very much.

7 CHAIRMAN HOOD: Thank you. Next?

8 MR. EPPS: Good evening, Chairman Hood and Zoning
9 Commission. My name is Sam Epps, and I'm the political
10 director of UNITE HERE Local 25 on 901 K Street.

11 We are a labor union that represents over 7,500
12 members here in the D.C. region. As you can probably tell
13 from our members here today, our union has long been active
14 in a campaign to regulation short-term rentals. That's
15 because our member are pressed from multiple angles by their
16 unchecked expansion in D.C.

17 The lack of level playing fields between hotels
18 and short-term rentals put our members' good paying jobs
19 among the best for working class people in the city at risk.
20 But just as distressingly, there are thousands of units that
21 investors have converted into short-term rentals, have put
22 further strain on working people for housing.

23 And so the legislation passed by the Council in
24 November struck the right balance on this issue. And while
25 it allows for many D.C. residents to legally rent out their

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1 homes, it prevents investors and those with multiple
2 properties from taking housing off the market.

3 And the 90-day cap on home rental is a strong
4 mechanism to prevent fraud. That's why we urge the Zoning
5 Commission to pass the text amendment before you today as
6 written. Advocates across the city and the Council worked
7 diligently to craft the Short-Term Rental Act of 2018, and
8 we strongly believe the zoning code should match it exactly.

9 We support the language in the amendment that
10 defines short-term rental as defined in the law, primary
11 residence with a 90-day cap for vacation rentals.
12 Reconciling the zoning code with D.C. Law 22-308 will make
13 sure that the law is enforceable. As a result, the thousands
14 of housing units that have been converted into illegal hotels
15 will return to the housing market.

16 Everything is already in place to protect housing
17 in the District by enforcing short-term rental regulation.
18 All that's needed is for the Zoning Commission to pass this
19 amendment. So Local 25 urges you to do so without further
20 delay.

21 Thank you.

22 CHAIRMAN HOOD: Thank you. Next?

23 MR. CANNON: Hello. My name is Benjy Cannon. I'm
24 actually standing in for Lauren Spokane today who couldn't
25 come tonight, but she asked me to read her testimony.

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1 Good evening. My name is Lauren Spokane. I'm a
2 resident of Ward 4 and a former Airbnb host. Hosting with
3 Airbnb worked well for me for a while. But even as a host,
4 I strongly supported the regulations that the city passed
5 last November.

6 First of all, they create a straightforward and
7 legal way to rent out units. We no longer need to spend
8 hours of research trying to untangle a complex and
9 inexplicable regulatory knot. Instead, we know that once we
10 have a business license, we're free to operate legally and
11 responsibly.

12 Second of all, we need these regulations to
13 preserve housing in the city. D.C. is gripped by a housing
14 crisis which disproportionately targets black and brown long-
15 term residents.

16 The legal Wild West that short-term rentals exist
17 in prior to the Council legislation being passed allows
18 investors to snatch units off the housing market and convert
19 them to Airbnbs. That's a disaster for housing in D.C. and
20 needs to be reined in immediately.

21 The legislation passed in November protects both
22 small-time hosts' ability to operate their units and/or
23 city's housing. But it can't go into effect until the Zoning
24 Commission acts to pass the amendment before you.

25 The text itself is innocuous and simply brings the

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1 zoning code in line with the important regulations already
2 passed by the Council. This is a simple fix and a no-
3 brainer, and I urge the committee to vote to move it forward
4 without hesitation.

5 Thank you.

6 CHAIRMAN HOOD: Thank you. Next?

7 MS. WOLFE: Hi. My name is Lauren Wolfe. I have
8 some prepared remarks here that I've already submitted. But
9 I also wanted to address a few things that were addressed
10 today.

11 First of all, my name is Lauren. I work for a
12 travel consumer advocacy group, Travelers United. We are the
13 voice of consumer issues regarding travel federally, and
14 we're also getting involved locally in D.C., particularly on
15 this issue.

16 First of all, I wanted to address UNITE here. I
17 certainly want to see you guys have the highest wages and the
18 most success possible. But what we have seen following
19 national trends is that when San Francisco or when Boston
20 passed bills like this, what happens is hotels then have
21 predatory hotel pricing, hotel resort fees which leads to a
22 decrease in hotel wages.

23 So what you guys are doing by sitting here and
24 supporting this bill is truly you will see within I would say
25 a year or two a 100 to 200 percent increase in hotel resort

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1 fees here in Washington, D.C. And it will lead to a
2 reduction in your tips, so just so you know.

3 CHAIRMAN HOOD: Let me ask you. I would ask you
4 to direct your comments to us.

5 MS. WOLFE: Okay. So second, regarding the 60
6 days, the suggest from 6C. 6C is one of the wealthiest ANCs
7 in this entire city. I was just looking it up. There's
8 three hotel -- there's three houses in that particular ANC
9 that are for sale for 2.75 million dollars. There's only
10 three in the entire 6C that are eve under one million
11 dollars.

12 I don't think that 6C really needs to worry about
13 their property values. I think they're going to be okay, and
14 that you don't need to pass any rules that make it harder and
15 harder for people to afford their house in 6C.

16 The third was you didn't know about Arlington.
17 Arlington has a 185-day rule. Washington, D.C. with a 90-day
18 rule is actually one of the strictest, and it's in line with
19 other cities like Boston and San Francisco.

20 Frankly, I think this is still far, far, far too
21 strict for the District, that you'll see an impact in tourism
22 and you'll see predatory hotel pricing. However, that's what
23 the Council decided. And so I guess that's what we're going
24 with here.

25 So to go forward, I wanted to make a few points.

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1 Home sharing, first of all, is not just for tourists. Home
2 sharing provides housing for many people who are in D.C. for
3 an extended period of time.

4 Second, home sharing brings more money to areas
5 that need it.

6 And third, it empowers residents of D.C. and not
7 corporations like Marriot or Hilton.

8 Fourth, it makes affording a home more possible
9 in the city.

10 And for these reasons and many more, we need to
11 make sure that home sharing is allowed everywhere where there
12 is a house in the city.

13 First, there's a lot of talk about home sharing
14 bringing in tourists. It definitely does bring in a lot of
15 tourists. But many, many guests who use platforms like
16 HomeAway and Airbnb are not tourists.

17 They're people who have a three-week research
18 project at the Smithsonian. They're interns here for a
19 summer working on Capitol Hill. They're a D.C. couple whose
20 house flooded and need a place to stay for two months in
21 their neighborhood where their own house is being repaired.

22 I remember the days before Airbnb when I needed
23 to find a place in D.C. to intern, and I had to blindly trust
24 Craigslist and pray that the housing that I was booking and
25 sending money to for six weeks was reliable, safe housing.

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1 Now that we have sites with trustworthy peer
2 reviews, people moving to D.C. for the first time are getting
3 their foot in the door with an internship have a reliable way
4 to find housing with sites like HomeAway and Airbnb.

5 Second, currently, I live in Ward 8 in Washington,
6 D.C. There's no grocery store anywhere near my house.
7 There's one sit down restaurant within walking distance of
8 my house. There's absolutely no hotel. There's no plans for
9 any hotel.

10 Despite all of this, Airbnb brought 29,300 guests
11 to stay in Ward 7 and 8 in 2018. These guests provide
12 essential feet on the ground for the few businesses that we
13 do have in our area. With a few commercial businesses,
14 they're providing huge success to those businesses that have
15 taken a risk.

16 I talked with a sandwich shop in Anacostia, and
17 he told me that Airbnb guests are there almost every day
18 stopping in his shop in the middle of the day. No hotels are
19 bringing people to his part of tow. No hotels are supporting
20 that sandwich shop. Home sharing is a great way to bring
21 more people to these areas to support local businesses who
22 need all the customers they can get.

23 Third, allowing home sharing throughout the
24 District allows residents to make a few dollars off tourists,
25 interns, researchers, and workers who otherwise may have

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1 stayed at a hotel. We should be celebrating putting the
2 money in the pockets of people and not major corporations.
3 There is a crisis of affordability. This is an essential
4 tool. Home sharing is an essential tool for affordability
5 in the city.

6 Fourth, this is, again, a very expensive city.
7 Some older people in this city bought houses for 25,000
8 dollars. They're now valued at over a million. This is a
9 way for people to stay in their home. People competing in
10 the recent market, this is a way for them to stay in their
11 home. The stricter you make the rules, the less affordable
12 you make this city.

13 Thanks.

14 CHAIRMAN HOOD: Thank you. Next?

15 (Applause.)

16 CHAIRMAN HOOD: So that was the first time we
17 applaud, but let me just stop that now. Normally, we don't
18 do any applauding or anything. If you feel good, just keep
19 it to yourself. Just say, I really enjoyed that. So I ask
20 we respect each other. Next?

21 MS. BRUNER: Good evening, Chairman Hood and the
22 rest of the Commission, everyone in the room. My name is
23 Anneliese Bruner, and I am a 28-year resident of Ward 4 and
24 a 35-year resident of the District of Columbia. I am 60
25 years old.

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1 Over the years, long-term residents have witnessed
2 and been buffeted by many political and economic forces.
3 During the years 1991 to 1995, Sharon Pratt Kelly, the third
4 mayor of Washington, D.C. and the first African American
5 woman to serve as mayor of a major American city, said that
6 residents of the District of Columbia were sitting on a gold
7 mine.

8 Time has shown that Mayor Kelly's words were
9 prescient. It is now commonly acknowledged that D.C. is a
10 goldmine and everybody wants a share. That was not always
11 the case however. Long-term residents saw our city devalued
12 and overlooked, and we struggled to stay here in the face of
13 declining services and investment.

14 Today some of us still fight to stay here, but
15 it's a different struggle. Rapidly rising property values,
16 property taxes, and utility costs have caused those of us who
17 are older and want to remain in the city in homes we love to
18 wonder if that will be possible.

19 The short-term rental business that is made
20 available to us through Airbnb lets us use our primary asset
21 to generate the income we need for home maintenance, taxes,
22 and steady, predictable income that we can rely on.

23 As people my age plan for retirement, a time when
24 many must take on part-time jobs to supplement their meager
25 retirement income, we Airbnb hosts already have a mechanism

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1 in place to help us plan. That mechanism is the monthly
2 income that we can depend on from continuing our Airbnb
3 businesses right from our own homes.

4 I support short-term rental regulation and hope
5 that it will ensure the continuing viability of the Airbnb
6 platform in Washington, D.C., and I thank you very much for
7 your time.

8 CHAIRMAN HOOD: Thank you. I would ask when you
9 finish speaking, if you could -- so we don't get the
10 feedback. Thank you. Okay. Next?

11 MS. HAYS: Good evening. My name is Cindy Hays,
12 and I manage a B&B for neighbors who own a home on Capitol
13 Hill. His company relocated him, relocated their office to
14 Durham, North Carolina, and they required them to move to
15 Durham, North Carolina.

16 They have a young daughter who's now seven. She's
17 had a medical issue since she was three. She comes to
18 Washington, comes back. They drive her back once a month for
19 a specialized medical treatment. And when they come home
20 once a month, she is able to sleep in her own bed after the
21 treatments that day. Instead of emptying the house, they
22 used it as a bed and breakfast so they were able to do that.

23 My husband and I are senior citizens, and we live
24 on a limited fixed income. The extra money that we earn
25 managing this property allows us the luxury of paying all of

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1 our bills on time. And I don't ever worry now whether it's
2 groceries or prescription, and we've also figured out how
3 we're going to pay for the two root canals that need to be
4 done next week.

5 We also have a young man who with his cousins
6 clean the house between every guest. His father has cancer.
7 His mother sells Mary Kay cosmetics to earn some income. Dad
8 can't work, and so the son helps pay the bills, pay the rent
9 and the utility bills. And his income so far this year has
10 been 9,400 dollars.

11 We take the dirty sheets to the neighborhood
12 laundry. So far this year, they've been paid over 2,000
13 dollars. And we have a young man who keeps the yard and the
14 sidewalk in front of the house clean between guests, and he
15 earns extra income because of that.

16 I support certainly the Zoning Commission passing
17 a law that allows this to all work. But I would also support
18 and ask you to consider increasing from 90 days to 100 days
19 or at least have perhaps exceptions for owners who are
20 required to be away.

21 Thank you.

22 CHAIRMAN HOOD: Thank you, all. Let's see if we
23 have any questions or comments up here. I'm not seeing any.
24 Thank you all very much. We appreciate your testimony.

25 So I saw two hands that wanted to come up as

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1 proponents. And if anybody else would like to join them,
2 they can come up at this time. How many opponents do we
3 have? We have anyone that's not in support?

4 Do we have anyone who's undeclared? Okay. So we
5 do have some undeclared. Okay. I'm just trying to see where
6 we are. You can have any seat that you want right now. So
7 do we have anybody else who's a proponent who'd like to
8 testify? Okay. So this is our last panel of proponents.
9 We'll start with the young lady first. Identify yourself.
10 You may begin. Turn your mic on.

11 MS. MIMS: Good evening. My name is Rashida Mims.
12 I'm a native Washingtonian.

13 CHAIRMAN HOOD: What we want to do if you're going
14 to leave, if you could go ahead and leave and you can have
15 your conversations outside actually because the hallway, we
16 still hear you. Thank you. I'm sorry.

17 MS. MIMS: Okay. No problem. Again, my name is
18 Rashida Mims. I'm a native Washingtonian, and I was really
19 moved by everything I heard so far.

20 I recent retired from the federal government about
21 four years ago. And my income, of course, changed
22 dramatically when I retired. I've heard other Airbnb hosts
23 here talk about the aging and looking for other work when
24 you're of a certain age, and I'm in that category or I was
25 in that category. And I decided to try home sharing. And

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1 it has been a real shot in the arm for me.

2 I live in Ward 7, and I've been able to supplement
3 my income and live and maintain the added costs. When we
4 talk about increasing costs of water, increasing tax rates,
5 being able to host and be a part of Airbnb has been
6 economically beneficial for me.

7 As, as I said, a native Washingtonian, I want to
8 be here. I want to stay here. I've raised my children in
9 my home, and now I have grandchildren that come and visit me
10 in my home. And the kind of guests that I host are people
11 who otherwise may not be able to afford to come to the
12 District of Columbia.

13 They're able to get value for money. They can
14 have space for their families. They would've had to get two
15 hotel rooms if they're a family of four. And they can come
16 and use my property for a nominal fee and enjoy the city,
17 enjoy the Frederick Douglass Home which is very close to
18 where I live. They go to the Smithsonian, and they rave
19 about Washington, D.C. and how much it means to them to bring
20 their families here. And Airbnb has been a big part of that
21 for them.

22 Thank you very much.

23 CHAIRMAN HOOD: Thank you. Let's go to the --
24 okay. You ready? Are you ready?

25 MR. MCDONALD: Yes, sir. And I just want to

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1 clarify. I'm opposed to the legislation. Is this the --

2 CHAIRMAN HOOD: Hold on one second because we're
3 going to come right back. Opposed too? You're undeclared.
4 Do we have anyone else who's here who's a proponent? Turn
5 your mic on. You're a proponent or undeclared?

6 MR. FULLER: Undeclared, but I do actually support
7 the legislation.

8 CHAIRMAN HOOD: That's another one for us to add
9 to the list. But that's all right. Just hold on one second.
10 We'll figure it out in a minute. Okay. So anybody else
11 who's a proponent? Any questions, Commissioners? All right.
12 Thank you very much. I appreciate it.

13 So anybody else, whether you're a proponent,
14 undeclared, undeclared opponent? So anybody else who'd like
15 to testify, you can come forward. Okay.

16 MS. SCHELLIN: We do have a list. We have --

17 CHAIRMAN HOOD: Oh, we have a lot of people on the
18 list?

19 MS. SCHELLIN: Yeah, we have a list of opponents,
20 Alexander Bant, James McDonald, Kenneth Prost-Green. And
21 then undeclared, we have Greta Fuller, Anne Pellicciotto, I'm
22 sure I messed that one up, Adrienne Loftin, Zandra Chestnut,
23 and David Rivera. none of them, I guess, are here.

24 CHAIRMAN HOOD: So anybody else who would like to
25 testify, come up at this time.

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1 Okay. So we will begin. Let's start with you.
2 And if you can identify what you were saying.

3 MR. FULLER: Certainly. My name is Sean Fuller.
4 I am a resident of the District of Columbia and an Airbnb
5 host. And I am actually for the bill, but I also prefer to
6 have an exception within the bill as well.

7 So give you a back story of my start with Airbnb,
8 I'm one of the few people that I know of that facilitate kind
9 of the situation where you talk about the demographic
10 movements of D.C., in terms of income, in terms of working
11 with the federal government, stuff like that.

12 However, my mom doesn't fit the same bill. And
13 so back when I first got started with Airbnb, it started as
14 a situation that when I was helping my mom pay her bills, it
15 was very unsustainable that way. And so when she was put in
16 a situation where she was looking at eviction because not
17 paying -- foreclosure, sorry.

18 I said to her, we have done subletting before.
19 Let's do that now. And that's where I put up the money to
20 help her get the place ready and then we did it. And around
21 the same time when I was affected by the first furlough that
22 happened with the federal government. That income supported
23 both of us during that time.

24 So I'm a very -- and so for me, Airbnb has been
25 a lifeline in many ways. And we want that to be regulated

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1 because it makes it easier for us to do business knowing that
2 what we're doing will not be affected.

3 Our situation is not the same because what makes
4 why I am undecided on the bill is even though we do live in
5 our home and we do rent it out, we also help other homeowners
6 with the exact same thing.

7 And so for example, one homeowner that I know
8 lived in their house. She wasn't on the Airbnb thing. But
9 I said, I know how to do it. I will do it with you. She
10 lives in her house. And so we helped each other out in terms
11 of setting that up for her. And I want to be able to do
12 that.

13 But the restrictions on the bill becomes very --
14 for example, the bill as proposed has a limit in terms of
15 short-term rental. But they don't really define short-term
16 rental above 30 days. But a lot of guest stays are longer
17 than that. We have one guest now that's 90 days because
18 they're interning. And none of our guests are short-term
19 guests.

20 And what we do not want the situation as is now
21 that we are put in a regulation bounded where on the platform
22 we have to be X while at the property what we do currently
23 is Y. And then we are in a situation where we have to again
24 put our information or put ourselves off the platform because
25 we cannot meet those requirements.

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1 My suggestion is just for clarification, a
2 conclusion of not only the current hosts so that they have
3 the opportunity to be compliant but also going forward, other
4 hosts that are coming on the platform are able to comply
5 because I do want to help more homeowners get on the platform
6 and be compliant as well.

7 Thanks.

8 CHAIRMAN HOOD: Thank you. Let me just pause for
9 a moment. I'm going to ask that we make sure we fill out the
10 witness cards. I see our court reporter is working real hard
11 this evening trying to get witness cards. So let's be
12 cognizant of that, and we greatly appreciate it. Okay. You
13 ready? Next.

14 MR. DEVADAS: Hello. My name is Anand Devadas.
15 I'm 60 years old, born in Washington, D.C. in Southeast,
16 Barnaby Terrace. And I'm not new to discriminatory practices
17 in housing.

18 My Japanese mother and my Asian Indian dad, in
19 1959 when she was very pregnant with me, went from house to
20 house to house in Northwest. They were denied, and that's
21 why I was born in the basement of the Church of Nazarene in
22 Southeast. And I don't hold that as bitterness. I hold that
23 as a value that this kind of discrimination should never be
24 allowed.

25 And so I worked very hard. I went to UDC. I went

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1 to D.C. school system. I pulled myself up from a very rough
2 neighborhood in the city, and I have raised my son and my
3 family to never be bitter but to get even with your own
4 success. And that's what I am doing, not getting even for
5 revenge but to improve my life.

6 A few years ago, I got into real estate which was
7 a good thing for me. It helped me to get to a certain
8 standing. And I bought properties that I was able to buy,
9 live in, and improve. And some of those were areas where
10 houses were sitting there for the longest time and nobody
11 wanted to go there. There were rats running out of the front
12 yard by the dozens in the daytime.

13 And I went in there and I've improved the
14 neighborhood to the point that the neighborhood is really
15 happy I'm there. And they all ask me to watch their
16 property. And a few years ago, I developed severe cancer to
17 the point that I can't really work. I can't do that 9 to 5
18 job. I can't go to that unhealthy lifestyle of going to work
19 and eating on the run. And I just can't do that anymore.

20 But what I can do is what I have left. I can try
21 to make a living and an honest living. I am not taking any
22 business whatsoever away from the hotel industry. I'm not
23 trying to do anything at all.

24 Before I was allowing students to live at my
25 house. And at one time, they were the only ones who would

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1 rent my property because no one was developing everything.
2 It was in such bad shape. Those students left several tens
3 of thousands of dollars of damage in my house. I decided to
4 turn that around with Airbnb, and it's changed the way I do
5 things.

6 I ask you please, yes, we need regulation, but be
7 fair about it. I have relatives in San Francisco. They said
8 their regulations did nothing, did nothing at all for anyone.
9 But the Mark Hopkins Hotel definitely did go up in price, and
10 that's a fact.

11 So please just listen not only to the people who
12 say that they're not going to have housing. But listen to
13 the people who have struggled their whole life to get a house
14 here and really love and support this wonderful city. We
15 want to stay here. We don't want to be priced out because
16 of the taxes which have gone up a lot in the last three
17 years.

18 So this is our way of staying here and improving
19 our neighborhood, just like those people who moved in the
20 '70s and improved Adams Morgan. This is what we do.

21 CHAIRMAN HOOD: Give us your closing thought.

22 MR. DEVADAS: Closing thought is that I provide
23 housing to people who save their whole lives to come to
24 Washington, D.C. and who could never afford it. And I bring
25 income to the industries around me. Please you need to

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1 double this period of 90 days to 180 or more.

2 Thank you.

3 CHAIRMAN HOOD: Thank you. Could I get you to do
4 me a favor before you stop? Could you turn that mic off?
5 Because we get feedback up here.

6 MR. DEVADAS: Should I turn this off?

7 CHAIRMAN HOOD: Yeah, now that you're finished,
8 yeah. Sir, you may begin. Turn your mic on, and then you
9 may begin.

10 MR. MCDONALD: Good evening, Chairman Hood and all
11 the members. My name is James McDonald. Thank you for this
12 opportunity to talk about the benefits of short-term rentals
13 to Washington, D.C.

14 My wife and I started our short-term rental
15 business in 2017. We had a clear vision based on our love
16 for traveling. Our travels were made many times more
17 enjoyable when we had lodging options other than hotels.

18 In fact, we purposely sought out alternatives to
19 hotels because we wanted to experience places we visited just
20 as the locals would. This is what our guests have told us
21 repeatedly. It's one of the main reasons they chose to stay
22 with us and other short-term rentals.

23 It is with this in mind we've operated our short-
24 term rental business. Our vision was to create a home away
25 from home anywhere in the United States. To that end, we

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1 work hard to create a clean, safe, and secure experience for
2 our guests.

3 We knew we wanted to serve business travelers and
4 families touring D.C. To our pleasant surprise, 63 percent
5 of our guests are women. Many of these guests travel for
6 business or come into the city with their families and/or
7 friends for a long awaited annual vacation.

8 Some of our guests have stayed with us while
9 recovering from life or death medical procedures. They
10 cannot find care or attention we provide by staying at a
11 hotel. What our guests and families have expressed to us
12 often in over 200 five-star reviews was the need for the
13 entire family to stay in one space that fit their travel
14 budget.

15 Hotel rooms in D.C. metro area average about 325
16 square feet. Our apartments are between 700 and 800 square
17 feet. A family of four with small children or teenage
18 children would have to pay for two hotel rooms and the risk
19 of not being on the same floor.

20 We alleviate that worry by ensuring the entire
21 family can stay in the same space under one roof and within
22 budget. Whether -- excuse me. Were it not for short-term
23 rentals and faced with higher costs of hotels, many of these
24 families would not chose to visit D.C. Less visitors means
25 less revenue for D.C.

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1 We have always strived and put in place systems
2 to ensure we are great neighbors. We provide common sense
3 but necessary house rules. These rules have ensured that our
4 neighbors are not subject to any kind of disruptive behavior.

5 Our guests are so quiet and respectful that our
6 neighbors never know they were there until they see a person
7 with their luggage catching an Uber. Our guests have been
8 clear to us. They love our meticulous attention to detail,
9 our prompt and relevant communication, and truly staying in
10 a home away from home.

11 The current legislation will force us and many
12 other professional companies to move their businesses outside
13 of the District. Please help us to keep that revenue in the
14 District and not go elsewhere.

15 Closing, my wife and I are not opposed to
16 legislation that promotes doing short-term rental business
17 responsibly, professionally, and preserving the character of
18 D.C. resident neighborhoods. We are opposed to blanket
19 legislation in zoning that will enact and make operating a
20 short-term rental business unnecessarily restrictive.

21 Thank you.

22 CHAIRMAN HOOD: Thank you. Next? Excuse me.
23 Will you turn your mic off? Okay. We're getting feedback.
24 All right. Thank you.

25 MR. MIDEKSSHA: My name is Aelaf Midekssha. And

1 as all of you can see, I'm young. But what this particular
2 business or this gig, Airbnb, kind of provides for the young
3 people like me.

4 I work from home. When I work from home, I want
5 to travel, like, to maybe California for two weeks. Maybe
6 I want to go to Colorado for, like, a month and maybe stay
7 in the city for, like, a month because my job is based in
8 D.C.

9 Having that limit where even though I'm a property
10 owner and I'm also a host for Airbnb, HomeAway, or short-term
11 leasing, that gives me a restriction where, okay, you cannot
12 live in D.C. and still have those kind of privilege to kind
13 of travel around.

14 And maybe a lot of young people want to do the
15 same thing like I do, rent a house or maybe buy a house, and
16 still get the luxury to kind of travel the world, see other
17 states by giving other people an opportunity to kind of stay
18 at their house while they're out traveling and covering that
19 cost for them.

20 If I'm traveling and my house is not being
21 occupied giving me that extra money that would support my
22 vacation, I would not be able to take those vacations. I'm
23 going to be at home because there's going to be double costs
24 on my side. And that's, like, pretty much taking the economy
25 factor from lower income people I would say because or I have

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1 to save up a lot of money to do that two-week vacation.

2 But this exactly gives me an opportunity to have
3 more vacation time, a two-week vacation all Americans have
4 taken. And I believe now that a lot of companies are
5 allowing people to work from home, that gives a lot of young
6 people opportunity to actually love what they do by, like,
7 traveling. They don't have to be restricted for that two-
8 week vacation where all Americans are taking pretty much if
9 they have a stable job.

10 But this gives them an opportunity to travel. On
11 the other hand, my house would be available for other people
12 to stay in because the biggest cost when people travel is
13 food. It's not a hotel or things like that. It's food.

14 When I go outside, I rather get an Airbnb because
15 I'll cook my food for, like, a cheaper price were I could
16 just buy groceries and then fund my vacation. And other
17 families will do the same. I think that's how a lot of
18 people are doing it now. They come stay at my house.
19 There's a full kitchen. They'll use whatever pantries I
20 have. They cut their cost in a very minimal way where they
21 can all their family enjoy D.C. and go back for, like, maybe
22 half the cost or less of what it would cost them if they went
23 to a hotel.

24 And it's, like, having restriction of a day is
25 actually affecting this environment and not subsidizing

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1 anything else. So I'm, like, opposing that regulation side
2 where an owner should have a limit. And if you could look
3 into that where the younger economy or the younger Millennial
4 people will get that advantage, I'd really appreciate it.

5 Thanks.

6 CHAIRMAN HOOD: Thank you. Next?

7 MR. DALY: Hi. My name is Corbett Daly. Thank
8 you, Mr. Chairman. I'm undeclared because I'm really
9 confused as you were about some of the contradictions with
10 the Office of Planning and the Council on the 90-day rule and
11 the primary residences and the over-complexity of this bill
12 and virtual uncertainty of how they would actually enforce
13 it.

14 And secondarily, on the downtown zones, I heard
15 some questioning that I didn't really understand whether
16 those zones which are now, by right, would be allowed to have
17 transient homes. But would it be limited to the 90 days?
18 Or is it still 365 days because the mortgage interest is
19 assessed for 365 days?

20 And there was a lot of contradictory testimony
21 back and forth. I didn't follow that entirely whether or not
22 the downtown zone had -- and these are by right transient
23 rentals that are allowed today that could potentially change.
24 But I'm not sure if that's true or not because it was unclear
25 to me.

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1 And I worry that the city is going to face another
2 situation that they had with the gun registration law where
3 it's going to get a Supreme Court challenge and be ruled
4 unconstitutional. And the city is going to have to start all
5 over because it seems to me that there's a lot of
6 contradictory text in this language and it's virtually
7 impossible to enforce.

8 CHAIRMAN HOOD: Okay. Thank you. And let me just
9 ask, and not that this is a requirement. But did any of you
10 all testify at the Council hearings on this? I'm just
11 curious. Turn your mic on.

12 MR. MCDONALD: I'm sorry, Council Hood. Are you
13 talking about October 2017?

14 CHAIRMAN HOOD: No, I mean when the Council had
15 hearings. Didn't they have hearings on the Airbnb?

16 MR. MCDONALD: October 2017 --

17 CHAIRMAN HOOD: Okay.

18 MR. MCDONALD: -- was the last one. And
19 unfortunately, our business was in Crystal City at that time.
20 So I was not present.

21 CHAIRMAN HOOD: So okay. I'm just curious. Not
22 that that was a requirement. I was just curious. All right.
23 Commissioner May?

24 COMMISSIONER MAY: Yeah. I have questions. A
25 couple of folks who testified seemed to indicate that you

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1 have multiple units that you are -- and these are additional
2 beyond your primary residence. Is that what we're talking
3 about and that's what your concern is?

4 MR. FULLER: Actually, let me take that question.
5 The answer is the co-hosting specifically. Some of us did
6 present that they are -- have multiple units. But the issue
7 is when you looking at yourself as a co-host on the platform,
8 meaning that you're either working with someone that owns
9 their house outright like my man right here. But I'll be the
10 person that works with him to do it.

11 But we release it on the platform as either the
12 host or the co-host where we both own it together. And the
13 situation with that is we understand that situation. But
14 from --

15 COMMISSIONER MAY: And you're not answering my
16 question.

17 MR. FULLER: Yes.

18 COMMISSIONER MAY: So I'd like to ask the question
19 again.

20 MR. FULLER: Yes.

21 COMMISSIONER MAY: How many units are you --

22 MR. FULLER: For example, I manage my specific
23 house and I manage my mom's.

24 COMMISSIONER MAY: So two?

25 MR. FULLER: Yes.

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1 COMMISSIONER MAY: You manage your mom's, but it's
2 her -- she's living there --

3 MR. FULLER: She's --

4 COMMISSIONER MAY: -- while she's doing it.

5 MR. FULLER: Yes.

6 COMMISSIONER MAY: Right. Okay.

7 MR. FULLER: So that's where --

8 COMMISSIONER MAY: So that answers my question.
9 So I'll go to the next gentleman. How many units are -- can
10 you please turn your microphone on?

11 MR. DEVADAS: Okay. Yeah, I manage my own house.
12 But I have another house that I had before I was married and
13 that --

14 COMMISSIONER MAY: So you have two dwelling units
15 that you are --

16 MR. DEVADAS: No, no. I'm sorry. I have one
17 house, but my wife has one house before she was -- before we
18 were married, she had her own. So now I don't know how does
19 that work when you --

20 COMMISSIONER MAY: Well, you live in one of them
21 or both of them?

22 MR. DEVADAS: Well, we live in one of them right
23 now.

24 COMMISSIONER MAY: So you have one that's just a
25 rental property. So you have two.

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1 MR. DEVADAS: Yeah, right now.

2 COMMISSIONER MAY: And that's all I'm trying to
3 get to.

4 MR. DEVADAS: And I guess I also wanted to speak
5 -- I'm sorry -- about this. The last meeting was in October.
6 But I think this whole thing happened so quickly. And the
7 people who wanted to speak as opposing this whole thing feel
8 -- we all feel like this was slid really under the table
9 before we could even talk about it. I know --

10 COMMISSIONER MAY: Okay. And again, I would like
11 to ask my questions.

12 MR. DEVADAS: Okay.

13 COMMISSIONER MAY: I appreciate that. And our
14 process has not been fast because this has been talked about
15 for, like, more than a year before we got to this moment.
16 So I think maybe -- I appreciate the concern you have, but
17 it's not answering the questions that I have. So next
18 gentleman, how many units do you have that you're home
19 sharing or whatever you want to call it, short-term rentals
20 that you own?

21 MR. MCDONALD: Two units.

22 COMMISSIONER MAY: Two units. And are they in the
23 same house essentially, same property?

24 MR. MCDONALD: Same property, sir.

25 COMMISSIONER MAY: Yeah. So I don't think -- I

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1 think that would -- is still possible, is it not?

2 MR. MCDONALD: Based on how I've read the
3 legislation, I don't know. I'll go on, Councilmember May.
4 Our company is on the lease, so we work hand in hand with the
5 landlord. So we are responsible for the rent. We are
6 responsible for insurance. So we run it as --

7 COMMISSIONER MAY: So you're running for someone
8 else?

9 MR. MCDONALD: I'm sorry?

10 COMMISSIONER MAY: Some other -- a different
11 property owner?

12 MR. MCDONALD: Right, we're still working with the
13 landlord. But our company on the lease.

14 COMMISSIONER MAY: Okay. So that's even more
15 confusing. Let's talk about property that you own.

16 MR. MCDONALD: We do not own the property.

17 COMMISSIONER MAY: You don't own any property.
18 You have a lease and then you put up your leased property --

19 MR. MCDONALD: As a short-term rental.

20 COMMISSIONER MAY: -- through a short-term rental?

21 MR. MCDONALD: Yes, sir.

22 COMMISSIONER MAY: Okay. I'm not sure how that
23 fits in.

24 MR. MCDONALD: And I don't know how we fit in
25 honestly.

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1 COMMISSIONER MAY: So I'm going to take that as
2 a question. If it's a leased property, can it be -- I don't
3 need answers from the audience. Thank you very much. I need
4 answers from somebody else. All right. But I appreciate
5 your answering my question.

6 MR. MCDONALD: Thank you, sir.

7 COMMISSIONER MAY: So I'll ask you the same
8 question.

9 MR. MIDEKSSHA: Yeah, I think my case is the same.
10 I can't afford a house -- to buy a house in D.C. yet. So I'm
11 renting a full house. Like, I have a lease on that.

12 COMMISSIONER MAY: Okay. So you're --

13 MR. MIDEKSSHA: So --

14 COMMISSIONER MAY: -- renting a house and then you
15 sublet it basically --

16 MR. MIDEKSSHA: Yeah, pretty much that's --

17 COMMISSIONER MAY: -- through that platform?

18 MR. MIDEKSSHA: -- how it is --

19 COMMISSIONER MAY: Okay.

20 MR. MIDEKSSHA: -- for my case.

21 COMMISSIONER MAY: I appreciate everybody
22 clarifying and answering my question. Thank you.

23 CHAIRMAN HOOD: Which now brings another question
24 to me. The gentleman here, you said you have a house where
25 you reside -- your wife, all of them. So you have another

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1 house that you -- yeah, I understand. So you have another
2 house.

3 MR. DEVADAS: Yeah.

4 CHAIRMAN HOOD: And what do you with that other
5 house? Were you doing Airbnb with that other house or you're
6 doing it --

7 MR. DEVADAS: Yeah, we actually --

8 CHAIRMAN HOOD: -- at your primary residence and
9 your other house?

10 MR. DEVADAS: Frankly speaking, we frankly live
11 at both house. We frankly live at both houses. And it's not
12 --

13 CHAIRMAN HOOD: So here's the thing. I think what
14 Commissioner May and what I'm trying to do, we're trying to
15 drill down to help us when we get ready to do the zoning --
16 how we're going to do the zoning piece. So you have one
17 house that you and your wife live in --

18 MR. DEVADAS: Mm-hmm.

19 CHAIRMAN HOOD: -- right? So you have another
20 house that you're doing for Airbnb. So you have --

21 MR. DEVADAS: We're doing it in both, yeah.

22 CHAIRMAN HOOD: Or you're doing both for --

23 MR. DEVADAS: We're doing it in both.

24 CHAIRMAN HOOD: You're doing it in both?

25 MR. DEVADAS: But we own both. We don't lease

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1 them.

2 CHAIRMAN HOOD: I got the part that you own it.
3 So not only do you do Airbnb where you live. You also do it
4 in the other house where you live too?

5 MR. DEVADAS: Yes. We actually live in two
6 houses.

7 MR. FULLER: Commissioner, if I can speak to that.

8 CHAIRMAN HOOD: You live --

9 MR. FULLER: No, I will speak to --

10 CHAIRMAN HOOD: Okay. Let me finish with him --

11 MR. FULLER: Okay.

12 CHAIRMAN HOOD: -- because that's helping me. And
13 then we can come back later because I'm trying to -- he's
14 helping me go down a road. So I think I got your picture.
15 So you live in both.

16 MR. DEVADAS: Yeah. It's not as weird as it
17 sounds because --

18 CHAIRMAN HOOD: No, I know. Believe me, I've seen
19 a whole lot.

20 MR. DEVADAS: Believe me. I've been through a
21 divorce. And believe me, I'm used to living in many places,
22 but --

23 CHAIRMAN HOOD: So it's not just -- help me. It's
24 not just that you and your wife live in one and you're doing
25 Airbnb, what they say, plus one. It's not that you're doing

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1 that. You're just -- you're doing both of them.

2 MR. DEVADAS: Yeah, we live in --

3 CHAIRMAN HOOD: And you all live in both of them

4 --

5 MR. DEVADAS: Yeah, because now we're married --

6 CHAIRMAN HOOD: -- and you're doing Airbnb.

7 MR. DEVADAS: -- and she had it before. Now we're
8 married. How does that work now as a married couple we have
9 two properties? But we actually live in both houses, and we
10 actually have our things in both houses. So I don't know how
11 that would work. And I guess, how does it work? You're
12 expected to, I guess, sleep at the house when they're
13 sleeping there. But it's kind of strange also. Honestly,
14 it's very strange.

15 CHAIRMAN HOOD: So I mean, I've seen a lot of
16 creative things since I've been here. But I'm going to stay
17 in my lane. I won't opine on that. But I appreciate you
18 helping me.

19 MR. DEVADAS: Well, yeah.

20 CHAIRMAN HOOD: I think you've helped me. I think
21 you've helped me.

22 MR. DEVADAS: I'm not trying to put you on the --
23 I swear I'm not trying to put any of you guys on the spot at
24 all.

25 CHAIRMAN HOOD: That's all right. I've been on

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1 the spot.

2 MR. DEVADAS: Okay, cool, cool.

3 CHAIRMAN HOOD: We're not on the spot.

4 MR. DEVADAS: We just want --

5 CHAIRMAN HOOD: I'm just trying to understand.

6 Let me explain something to you. I'm trying to understand.

7 So when I move forward and when we start deliberating, I have

8 all the information I need to be able to deliberate to try

9 to make the best decision possible for the city. That's all

10 I'm doing, and I think that's all Commissioner May is doing

11 as well. Now you wanted to say something. I think we're

12 finished.

13 MR. FULLER: Yes, concerning to his specific

14 point. I was saying in Baltimore, for example, Baltimore

15 city, they do, like, grandfather clause that allows the

16 homeowner that actually has another unit to actually still

17 own even if the regulation change. So that was something

18 that I was going to point to in his circumstances where --

19 CHAIRMAN HOOD: So you two must work together

20 then.

21 MR. FULLER: I wish.

22 CHAIRMAN HOOD: Because you're commenting on

23 somebody else's. You all friends or something?

24 MR. FULLER: No, first time. No, the reason why

25 I said because it was familiar to me because I pay attention

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1 to the different regulations that happens in the area. And
2 the reason why it's important to me because I do -- because
3 I work with other families.

4 And I don't know how the city perceive how I do
5 it versus how -- because it's not like all the -- for
6 example, most of the families that talk to me about hosting
7 an Airbnb would never come into a situation like this because
8 it's intimidating to them.

9 So for example, my mom would never come down here.
10 So -- but she's also going to be affected by the regulation
11 because she's a CNA. So she doesn't make the income
12 requirements just to stay in D.C. But the Airbnb income
13 allows her to stay into her home.

14 CHAIRMAN HOOD: I think I got that. I got that.

15 MR. FULLER: So --

16 CHAIRMAN HOOD: But I appreciate -- my question
17 more directly what he was doing about both of his properties.
18 So I think I got that, and I think you've answered my
19 question and I appreciate it. And thank you for bringing in
20 that piece.

21 All right. I appreciate you all's testimony. We
22 appreciate you all's testimony, and thank you. All right.
23 I think we're ready. Do we need anything else, Mr. May?

24 COMMISSIONER MAY: Yes. Actually, I was
25 interested in hearing either from the Office of Planning or

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1 maybe from the Chairman since he's still here what the
2 situation is with a rental property and effectively a sublet
3 as the one gentleman was suggesting he does now. So please
4 come to the table.

5 CHAIRMAN HOOD: And I hope those gentlemen don't
6 leave so they can get a -- we can get an understanding. So
7 if we can hold tight. Okay, good. What about my other --
8 oh, they're still here. Okay. Where's my other friend?
9 Okay. So hopefully -- has he left? He's on the phone.

10 So one of the things that we want to make sure,
11 sometimes we miss information because we either leave or we
12 get on the phone. And then we come back and say, oh, we
13 didn't do something right. So I would hope that he would
14 hear me and come back in and hear what the Chairman has to
15 say while we have the Chairman. Because it's very important
16 that we get the right information.

17 Is he still on the phone? Okay. Tell him we want
18 him to come off the phone. I want him to come in and hear
19 this so we all can get on one chord.

20 COMMISSIONER TURNBULL: Mr. Chair, I was just
21 going back through the Office of Planning report. And my
22 understanding from reading what the Office of Planning had
23 written is that the host must be the property owner and the
24 subject property must be the host's primary residence, i.e.,
25 an STR would not be licensed as a standalone property without

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1 the owners presiding on site.

2 COMMISSIONER MAY: And I read that too. That's
3 why I'm interested in hearing what the Chairman has to say
4 about that.

5 COMMISSIONER TURNBULL: And the other thing is the
6 host of the STR would need to be eligible for the Homestead
7 Deduction. I don't think you can have two Homestead
8 Deductions.

9 COMMISSIONER MAY: No. So --

10 COMMISSIONER TURNBULL: So I mean, I'm just
11 throwing out what I'm seeing in the --

12 COMMISSIONER MAY: Right.

13 COMMISSIONER TURNBULL: But let's let the Chairman
14 get into it.

15 COUNCIL CHAIR MENDELSON: Thank you. And there
16 were a few points I wanted to make. But I'll just stick to
17 the question. And then if you want, I'll address some other
18 issues.

19 Mr. Turnbull is correct. The way we structured
20 this because of issues about investor properties and control
21 and impact on the neighborhood was we limit this to a
22 homeowner's primary residence.

23 And I think you all know that we have as part of
24 our real property tax law that homeowners can apply for and
25 get the Homestead Deduction. And almost every homeowner

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1 who's eligible does because it saves right now about 700
2 dollars a year on one's real property taxes.

3 And because there is that -- because it's
4 longstanding and because there's a fair amount of money
5 involved, the Office of the Chief Financial Officer is pretty
6 good about ensuring that only those who qualify get the
7 Homestead Deduction.

8 So there's an enforcement mechanism that's already
9 in place around that. So an apartment building -- a rental
10 property would not be permitted. It would not be eligible.
11 And if you think about it in terms public policy, you've got
12 folks out there, maybe somebody who's renting their house to
13 somebody. Now it's going to be sublet to an Airbnb. The
14 owner may not want -- the landlord may not want that.

15 So that raises some issues there as well as it
16 creates some other enforcement challenges. That's why it's
17 limited to a homeowner's primary residence.

18 Now the gentleman who testified about his mother
19 managing the unit. The license goes to -- the short-term
20 rental license under what the Council passed goes to the
21 owner of that primary residence. So if my mother has a house
22 and it's her primary residence, she can get a short-term
23 rental license. And anybody else can manage it. But it has
24 to be her primary residence.

25 And so you can have a manager who's managing

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1 several. And my understanding is that there is within the
2 market of the short-term rentals, business people or
3 companies who actually they sell services. There are
4 services for cleaning or managing or whatever to the hosts.

5 I think that addresses the different scenarios
6 that were put forward.

7 COMMISSIONER MAY: That was it. Thank you.

8 COUNCIL CHAIR MENDELSON: Did you want me to
9 address anything else?

10 CHAIRMAN HOOD: Yeah, I kind of want you to --
11 well, no, you know what? I'll leave that for -- see, because
12 I was trying -- the other gentleman who lives in two homes.
13 And I guess wife owns one. And maybe that's more for DCRA.

14 COUNCIL CHAIR MENDELSON: Well, if he lives in two
15 homes, he can, by law, only have one home with a Homestead
16 Deduction.

17 CHAIRMAN HOOD: Okay.

18 COUNCIL CHAIR MENDELSON: And if you think about
19 it from a housing perspective and the need for housing in the
20 city, if he wants to get income on that second house, he can
21 get a long-term lease. Rent it to somebody for six months
22 or a year, whatever.

23 CHAIRMAN HOOD: All right. We're not going to do
24 any back and forth. But I wanted you to come back in so you
25 can hear the responses. We're going to deal with it now.

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1 So all right. Anything else? Did you want to say anything
2 else?

3 COUNCIL CHAIR MENDELSON: I wanted to touch on a
4 couple of things, if I may. And this is where I am at risk
5 of diminishing my earlier statement, which I don't want to
6 do. But there was a comment that the law is confusing and
7 contradictory and there may be a lawsuit. I don't see that
8 at all.

9 There has been some challenge in another city with
10 regard to data collection, but that's not the issue that's
11 before you. And I think it's significant that Airbnb
12 testified in support of the text case before you.

13 The first couple of witnesses from the ANCs led
14 the discussion about the definition. I think the better way
15 is what's in the text that's before you. If the Zoning
16 Commission chooses to write its own definition, for one
17 thing, the way the Council's law is written, it's
18 complicated.

19 There's a definition, but there's also the use of
20 the term primary residence which is defined somewhere else.
21 So there will be an effort for the Zoning Commission to write
22 its own definition. And if it differs from what's in the
23 Council's legislation, that may lead to some confusion in
24 terms of the zoning administrator's part.

25 All this can be overcome. But I think the better

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1 way is the way that the text is drafted. And there's not a
2 reason to be different. I think there was a comment, well,
3 maybe we don't need all of the Council's definition.

4 But the Council's definition is actually pretty
5 concise. Paid lodging for transient guests with the host
6 present or absent for up to 90 days. But not a hotel and/or
7 motel. Operates within a portion of the host's residential
8 property. It's the primary residence which is defined as
9 homestead deduction.

10 I think those are all necessary elements, and
11 there would be not a reason -- a good reason to omit any of
12 that from the Zoning Commission's regulations.

13 There was a comment earlier about whether this
14 would apply in the downtown districts. Our intent is that
15 it should apply with any residential property. But there are
16 some other restrictions as I noted before.

17 And the last thing I wanted to note is that you've
18 gotten a taste of what the Council got with its eight-hour
19 hearing and over -- I think it was over 60 witnesses, the
20 many different arguments that were made that we sifted
21 through to come up with a licensing scheme. And the only
22 element of the licensing scheme that remains to be finished
23 is the zoning regulations because they prohibit it in
24 residential districts.

25 Again, I thank you all for the time you've spent

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1 on this and your consideration.

2 CHAIRMAN HOOD: So let me just add while the
3 Chairman is still here. The reason -- typically in this
4 process, we don't have someone come up and do what he just
5 did. But I think because of the clarifications that were
6 needed, I think that was warranted. And I want to make sure
7 I put that on the record.

8 That was well needed for some of the questions
9 that were asked. The Council did often pass the regulations,
10 so we need to make sure we at least try to bring some of the
11 confusion closer together. So I wanted to put that on the
12 record or let the Chairman come back and do that just in case
13 somebody does go down.

14 And this Commission is very well familiar with
15 court cases. So just in case somebody does want to do that,
16 I want to make sure the judge or whoever does that reads
17 exactly why that was done in that process. And I think that
18 clarification hopefully -- while we may not agree, but I
19 think it helped put us all kind of on the same page and
20 understand what the Council did.

21 So, thank you, Mr. Chairman. And let me also
22 thank everyone who testified, whether you're a proponent,
23 undeclared, or wherever you were. I want to thank you all
24 for coming down to testify. And I also want to make sure I
25 thank the Chairman who I know is very busy for staying

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1 through this whole hearing. We greatly appreciate that.

2 Ms. Schellin, you have your hand up. We have
3 finished -- do you have testimony? You all just got here?
4 I'm just curious. Did you all just -- you all just arrived
5 or were you here?

6 You know what? The Council, too, but the
7 Commission is very accommodating. I'm going to take the last
8 two people. Okay. You too. You wanted it too. You are the
9 last two that have not testified. Okay. Come on, last two.
10 No, I don't want you to say that. I don't want you to say
11 that. Okay. You've already had a chance. Okay. So you
12 two. Okay. All right. Could you identify yourself?

13 MS. DIMITROVA: My name is Margarita Dimitrova.
14 Hello, everybody, Mr. Hood. I was not planning to speak.
15 I heard the testimonies of all the proponents. I agree with
16 all of them. I'm also a host.

17 And the lady who is my former coworker, I've been
18 also a teacher in D.C. I worked for the juvenile jail high
19 school. I was a science teacher. I organized a garden for
20 the students. I volunteered also throughout the city with
21 children programs for those kids and so on and so forth.

22 But I came to this country 25 years ago, and I was
23 not able to make enough to have a good pension. I got sick
24 and my husband passed away. And I had to take care of a
25 household. The water is five times higher price. And the

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1 same situation as the lady and many other retired people.

2 My children are here. I can't go anyplace. I was
3 in a position of selling my house. But Airbnb, it's
4 absolutely a wonderful organization, help me with that.

5 One positive thing for the city is that in my
6 house attracted young people from Russia, Germany, Eastern
7 Europe because I speak Russian, German, Serbo-Croatian,
8 Bulgarian. I used to work in China teaching AP advanced
9 placement also after the juvenile jail in Nepal.

10 I love these cultures, and I described this in my
11 bio. And a lot of people from these places are coming
12 because of my affiliation with those countries. They come
13 for research, then I take them to the museums. I take them
14 to the restaurant, to local businesses.

15 I love history. I talk to them about the
16 Smithsonian, Library of Congress, Folger Shakespeare Library,
17 and so on and so forth, Indian museum, African American
18 museum.

19 And I was not -- yet I was not going to speak.
20 I emailed to you. But when we talked about the 90 days,
21 there's another situation. There are traveling nurses. They
22 are professionals that come for certain amount of time.
23 Traveling nurses come for three, four months, for example.
24 So 90 days is not quite enough.

25 And I would also -- I am a proponent for Airbnb.

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1 It's -- you saw the various ways of Airbnb helping the
2 citizens and the businesses and also the government, bringing
3 income to the government as well. But --

4 CHAIRMAN HOOD: Give us your closing thought.

5 MS. DIMITROVA: -- the situation with the travel
6 nurses and the other travel professionals that are coming for
7 more than several months, is it considered short term or long
8 term renting? This is also another thing that I wanted to
9 add to the situation to be considered.

10 CHAIRMAN HOOD: Okay. Right. So the Chairman
11 wouldn't mind coming back because I've done that. Clarify
12 that for us. Okay? So I would ask the Chairman, if you
13 heard that question, if you'd come back. And let me go to
14 the next person, then we'll clarify that. And then we're
15 going to close out. And if you had an opportunity --

16 MS. DIMITROVA: And that's not only four but five,
17 six months, for example, something like that.

18 CHAIRMAN HOOD: I think we got it. If not, we'll
19 have you repeat the question when the Chairman comes back up.
20 I want to give you a chance. Okay. You may begin.

21 MR. RIVERA: Thank you. And I apologize for
22 misunderstanding when I would be able to testify. Thank you.

23 My name is David Rivera, and I am a D.C. resident
24 who rents out my second home in Ward 6 on a short-term basis.
25 I'm testifying in support of zoning regulations in general,

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1 but -- allowing short-term rentals but would not further
2 restrict the activity.

3 In my experience renting my second home out on a
4 short-term basis allows more families and businesses
5 travelers to support the economic development of our city and
6 furtherance of policy, ED-2.3-1 under the city's
7 comprehensive plan.

8 Because my home has multiple bedrooms and
9 bathrooms, it is better suited to accommodate multi-
10 generational family travel which is the largest segment of --
11 growing segment of travel today. Those multi-generational
12 families get together, then spend their money throughout
13 Washington, D.C.

14 My home is priced lower than what it would cost
15 to accommodate those same families in a city hotel. So D.C.
16 is better able to capture that tax revenue that would be lost
17 to a suburban hotel.

18 For the same reasons, my home is better suited to
19 capture certain corporate travel. I often host team
20 colleagues in a small business, startup business who can't
21 afford to stay in a D.C. hotel either for one time or as
22 frequently to visit D.C. to service their accounts. So
23 without larger homes such as mine, I think D.C. would, again,
24 lose out on economic development and the revenue.

25 Some of the points you've heard already, I'd also

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1 like to take this opportunity to respond to something I heard
2 the Chairman say about party houses. I do have a larger
3 home, but I use commercial technology to alert myself when
4 noise levels exceed a certain predefined level.

5 So if at 10:00 p.m. -- NoiseAware calls itself the
6 smoke detector of noise. So if after a certain time noise
7 levels occur that exceed my predetermined thresholds, I get
8 a text alert from my phone. I call my guest, and in some
9 cases, I go there and shut it down.

10 So I think there's the concern about party house
11 is something that I can manage and it's not as big a concern
12 as the other side with you how think.

13 Thank you, and I'm available for any questions.

14 CHAIRMAN HOOD: Thank you both. Let me see. So
15 you are a proponent for the regulations? You're a proponent,
16 right? Both of you are proponents?

17 MR. RIVERA: I'm undecided because --

18 CHAIRMAN HOOD: Oh, you're undecided. Okay.

19 MR. RIVERA: Yeah.

20 CHAIRMAN HOOD: I missed that. All right. I got
21 you. I know why. Now you had one question about the nurses.
22 Turn your mic on.

23 MS. DIMITROVA: Not just for the nurses but for
24 other professionals that are --

25 CHAIRMAN HOOD: So why don't you state your

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1 question. State your question.

2 MS. DIMITROVA: My question is if short-term
3 rental is only 90 days, how do we accommodate traveler
4 professionals that come -- especially the nurses and the
5 doctors that come for more than three months? Let's say four
6 months or five months. Is it a long term? Is it a short
7 term? I think it should be far more than 90 days.

8 CHAIRMAN HOOD: Okay. I got you.

9 MS. DIMITROVA: Because some people said it helps
10 a lot in complementing our incomes and to stay in our homes.
11 My children and my grandchildren are here. Where do I go if
12 I sell? I can't afford life without this additional income.

13 CHAIRMAN HOOD: Okay. Thank you very much. I
14 think we have the answer. All right. Ms. Schellin, can you
15 give us some dates? First, colleagues, any questions or
16 comments?

17 Okay. If you all could leave the table. Thank
18 you.

19 (Pause.)

20 CHAIRMAN HOOD: So, let me do this. Mr. Tondro,
21 if I wanted to go into a closed meeting for five minutes,
22 what do I need to do? I need a roll call vote? Okay. I'd
23 like to do an emergency -- I move that we do an emergency
24 meeting for five minutes -- a closed meeting for five minutes
25 and ask for a second.

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1 VICE CHAIR MILLER: Second.

2 CHAIRMAN HOOD: It's been moved and properly
3 seconded. Any further discussion? The reason is to seek
4 legal advice from our counsel on a request that was made of
5 us.

6 MS. SCHELLIN: Okay.

7 CHAIRMAN HOOD: Okay. It's been moved and
8 properly seconded. Any further discussion? All in favor?

9 (Chorus of aye.)

10 CHAIRMAN HOOD: Any opposition? We'll be back.
11 And do we need the roll call?

12 MS. SCHELLIN: It's supposed to be by roll call.
13 Chairman Hood?

14 CHAIRMAN HOOD: Yes.

15 MS. SCHELLIN: Chairman -- sorry. Commissioner
16 Miller?

17 VICE CHAIR MILLER: Yes.

18 MS. SCHELLIN: Commissioner Turnbull?

19 COMMISSIONER TURNBULL: Yes.

20 MS. SCHELLIN: Commissioner May?

21 COMMISSIONER MAY: Yes.

22 MS. SCHELLIN: Vote carries.

23 CHAIRMAN HOOD: We'll be back in five minutes.

24 (Whereupon, the above-entitled matter went off the
25 record at 8:41 p.m. and resumed at 8:50 p.m.)

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1 CHAIRMAN HOOD: Okay. We're going to call this
2 hearing back to order. We are going to have our discussion
3 on this particular hearing on the 24th of this month at 6:00
4 p.m. Is that the correct date, Ms. Schellin?

5 MS. SCHELLIN: Yes, for a special public meeting

6 --

7 CHAIRMAN HOOD: Special --

8 MS. SCHELLIN: -- at 6:00 o'clock.

9 CHAIRMAN HOOD: On the 24th at 6:00 p.m. And we
10 will consider everything that's in front of us at that time.

11 MS. SCHELLIN: Are there any --

12 CHAIRMAN HOOD: Anything else?

13 MS. SCHELLIN: Are you asking -- and the record,
14 I take it the record is closed.

15 CHAIRMAN HOOD: The record is closed.

16 MS. SCHELLIN: So no more submissions --

17 CHAIRMAN HOOD: So what I -- let me just ask.

18 MS. SCHELLIN: -- unless you were asking for
19 something.

20 CHAIRMAN HOOD: Let me just ask the Office of
21 Planning for the Commission and for me and I guess the
22 public. I'm going to ask you to kind of simplify in zoning
23 terms to the best that you can what we're doing. Okay? And
24 it might sound -- don't give me a whole lot of jargon. Just
25 simplify it for me, cut and dry for the regular citizen like

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1 Anthony Hood.

2 MS. STEINGASSER: Yes, sir. We will.

3 CHAIRMAN HOOD: Okay. All right. That will be
4 very helpful. All right. Anything else? Yes, and also on
5 the 24th, yeah. Do you we know what DCRA is doing right now?
6 Well, about nothing?

7 MS. STEINGASSER: I don't know, but we can
8 certainly inquire.

9 CHAIRMAN HOOD: Can we find out for the 24th
10 meeting at 6:00 p.m.?

11 MS. STEINGASSER: Would you like us to request
12 their attendance?

13 CHAIRMAN HOOD: Yeah, that would be good. I think
14 that will be very helpful. Let me see.

15 (Pause.)

16 CHAIRMAN HOOD: I'm going to withdraw the request
17 for DCRA to come. I would just ask that you give us a filing
18 or submit with your response of what DCRA is doing at this
19 point. And we also want to maybe have those who made a
20 request to Council to kind of further explain to us about the
21 requests on the emergency that was requested what is needed.
22 Okay. I think that will be very helpful.

23 Anything else? Mr. Tondro, you're coming down
24 this way. Did I leave anything out? I'm not afraid to say
25 if I left something out. Did I leave anything out?

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1 MR. TONDRO: I just wanted to clarify that the
2 record was closed except for that the filing by the Office
3 of Planning and the Council Chair if they wanted to provide
4 explanation for the justification for the emergency. Thank
5 you.

6 CHAIRMAN HOOD: That's correct. That's correct.
7 All right. Are we all on the same page? It sounds like it.
8 Ms. Schellin, can you announce the dates?

9 MS. SCHELLIN: Yes.

10 CHAIRMAN HOOD: And then I'll adjourn.

11 MS. SCHELLIN: So if we could get those
12 submissions by 3:00 o'clock p.m. Oh, wow. That's actually
13 next week. So if you could try to submit those by Tuesday
14 the 22nd, that would be great. By 3:00 o'clock p.m., that
15 would be even better. That would at least give the
16 Commission a day and a half to review it prior to their
17 meeting and 6:00 o'clock p.m. on the 24th.

18 Again, the record is closed to everyone else.
19 Those are the only two things they're looking for.

20 CHAIRMAN HOOD: That's it. So does anybody have
21 anything else?

22 All right. I want to thank everyone for their
23 participation tonight, and this hearing is adjourned.

24 (Whereupon, the above-entitled matter went off the
25 record at 8:54 p.m.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Public Hearing

Before: DCZC

Date: 10-17-19

Place: Washington, DC

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

Neal R Gross

Court Reporter

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