

MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: ^{JLS} Jennifer Steingasser, Deputy Director, Development Review & Historic Preservation
DATE: October 22, 2019
SUBJECT: ZC Case 19-15 – Supplemental Report for a Proposed Text Amendment to Subtitle B, H, K, and U to Authorize Short-Term Rentals.

The Zoning Commission held its public hearing on October 17, 2019 for Z.C. Case No. 19-15 and received testimony from the applicant and the public. A special public meeting was scheduled for October 24, 2019 for the Commission to consider both proposed action and emergency action for the short-term rental text amendment.

At the public hearing, the Commission requested that the Office of Planning (“OP”) submit a supplemental report providing the following:

- A brief summary of the proposed zoning changes; and
- A summary of the status of Department of Consumer and Regulatory Affairs (“DCRA”) preparation for the licensing and enforcement of D.C. Law 22-307.

Summary of Proposed Zoning Regulations

The proposed text amendments to permit short-term rentals are brief and straight forward. The text amendments consist of a definition and permission as an accessory use:

Definition:

Inclusion of a definition for short-term rentals reflecting the definition contained in D.C. Law 22-307; The definition states that a STR operator must have a valid basic business license from the Department of Consumer and Regulatory Affairs (“DCRA”):

Short-Term Rental: A use as defined by the Short-Term Rental Regulation Act of 2018 (D.C. Law 22-308), that has a valid Basic Business License from the Department of Consumer and Regulatory Affairs with a “Short-Term Rental” or “Short-Term Rental: Vacation Rental” endorsement.;

Accessory Use:

Permit short-term rentals at residential properties in all zones, except PDR, as a matter-of-right accessory use; and allow a short-term rental accessory use to occupy more than twenty percent (20%) of the gross floor area of the property:

Use, Accessory: A use customarily incidental and subordinate to the principal use, and located on the same lot with the principal use. **Except for a Short-Term Rental and unless** ~~Unless~~ otherwise specifically permitted, an accessory use ~~in a residential dwelling in a residential zone~~ shall be limited to twenty percent (20%) of the gross floor area.

To meet the definition of a short-term rental the operator must obtain a basic business license from DCRA. All rules and licensing requirements for short-term rentals are found in D.C. Law 22-307 “Short-Term Rental Regulation Act of 2018.”

Status of DCRA Licensing Rules

OP met with relevant staff at DCRA to discuss the current status of D.C. Law 22-307 administration. To date, DCRA is not issuing short-term rental licenses and is not conducting enforcement of short-term rentals because the licensing rules are not yet in effect.

DCRA is preparing to implement licensing rules that would effectuate D.C. Law 22-307 and would provide short-term rental licenses. DCRA is working with inter-governmental stakeholders to finalize and adopt these rules in the near future. DCRA is waiting for final action on Z.C. Case No. 19-15 prior to the enacting the licensing rules.

Currently Allowed Transient Rentals

The Commission also asked how the proposed short-term rental accessory use regulations may impact currently allowed transient rentals in zones where lodging uses are allowed as a matter-of-right. OP discussed this with DCRA staff.

If pending Z.C. Case No. 19-15 is enacted, and when D.C. Law 22-307 goes into full effect, any host who would like to operate or continue operating a short-term rental in a residential property, must obtain a short-term rental license from DCRA, regardless of zone.

Existing and new transient rentals in properties with a certificate of occupancy for lodging use would be allowed to operate without obtaining a short-term rental license. However, if a host of such transient rental would like to advertise on a booking service that facilitates short-term rental reservations, they would be required to obtain a short-term rental license pursuant to D.C. Law 22-307 and DCRA rules for licensing. If a host cannot qualify for a short-term rental license, they would not be allowed to advertise on such booking service. This is separate and apart from zoning, which does not prescribe any rules or licensing requirements.