



Government of the District of Columbia
**Advisory Neighborhood
Commission 6C**

October 10, 2019

Anthony J. Hood
Chair
Zoning Commission
of the District of Columbia
441 4th Street, NW
Suite 210-S
Washington, DC 20001

Re: ZC 19-15 (Short-term rentals)

Dear Chairman Hood:

We write to state our strong opposition¹ to the rulemaking proposal put forward by the Office of Planning. As set forth below, we urge the Commission a) to adopt complete regulations concerning short-term rentals (STRs) instead of simply incorporating the Council legislation by reference and b) to make those regulations more stringent than those approved by the Council.

Impairment of the Zoning Commission's Rulemaking Authority

As an initial matter, ANC 6C objects to the suggestion by OP that the Zoning Commission meekly adopt the Council legislation wholesale by inserting a cross-reference in the Title 11 definitions. It is shocking that OP would advise the Commission to abdicate its authority in this fashion.

The Proposed Standards are Inconsistent with the Comprehensive Plan

We recommend that the Commission adopt its own, more restrictive standards for short-term rentals. As detailed below, the Council legislation would drive up the costs of rental and for-sale housing; reduce the supply of affordable housing; and as a result, if incorporated into the zoning regulations, be plainly inconsistent with the Comprehensive Plan.

As summarized in OP's report, the Council legislation

¹ On October 10, 2019, at a duly noticed and regularly scheduled monthly meeting, with a quorum of six out of six commissioners and the public present, this matter came before ANC 6C. The commissioners voted 6-0 to adopt the position set out in this letter.

- prohibits an owner (“host”) from having onsite STRs except for a homestead-deduction eligible property occupied by the host as his/her primary residence;
- allows a host to rent any part of the property—either in the host’s unit or in another unit on the property—while the host is physically present;
- allows a maximum occupancy of the **greater** of 8 persons or 2 persons per bedroom; and
- allows a host to rent for STRs for up to 90 days when the host is absent (with an option to petition for longer periods in cases involving employment overseas or medical care elsewhere).

It is true that the Council legislation forecloses the most egregious uses of long-term housing for STRs. Under the Council’s standards, an owner may not buy up rowhouses willy-nilly and convert them all—including those where the owner does not reside—into mini-hotels. However, the Council’s rules would still permit the owner of a three-unit rowhouse to dedicate two-thirds of the units to full-time STR use in addition to any rental of the owner-occupied unit. Likewise, the Council’s decision to allow the **greater** of 8 persons or 2 persons/bedroom imposes no meaningful cap on occupancy.

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

Our observations cannot be dismissed as mere anecdotes. Recent academic papers assessing the impacts of Airbnb on the rental markets in Barcelona² and the U.S. overall³ reach the same conclusions: increased STR use correlates strongly to higher rents, less long-term rental housing, and increased housing prices.

Nor are these impacts simply a matter of generalized policy. On the contrary, they go directly to—and in this case stand in stark contrast with—the principles and objectives laid out in the Comprehensive Plan:

- **Affordability.** Woven throughout the Comprehensive Plan are repeated and emphatic statements of the central importance of housing affordability:
 - “The recent housing boom has triggered a crisis of affordability in the city, creating a hardship for many District residents and changing the character of neighborhoods. The preservation of existing affordable housing and the production of new affordable housing both are essential to avoid a deepening

² “Do short-term rent platforms affect housing markets? Evidence from Airbnb in Barcelona,” June 2019 (available at https://mpr.ub.uni-muenchen.de/96131/1/MPRA_paper_96131.pdf).

³ “Research: When Airbnb Listings in a City Increase, So Do Rent Prices,” Apr. 17, 2019 (available via <https://hbr.org/2019/04/research-when-airbnb-listings-in-a-city-increase-so-do-rent-prices>).

of racial and economic divides in the city. Affordable renter- and owner-occupied housing production and preservation is central to the idea of growing more inclusively.” Framework Element 218.3, “Creating Successful Neighborhoods: Guiding Principles” (10-A DCMR § 218.3).

- “The District of Columbia faces numerous affordable housing challenges Prices have risen everywhere, but have gone up most rapidly in the older neighborhoods to the north and east of downtown.” Housing Element H-1.2, “Ensuring Housing Affordability” (10-A DCMR §§ 504.1-.2).
- “Recognize the importance of preserving rental housing affordability to the well-being of the District of Columbia and the diversity of its neighborhoods.” Policy H-2.1.1, “Protecting Affordable Rental Housing” (10-A DCMR § 509.5).
- **Expanding housing supply:**
 - “Expanding the housing supply is a key part of the District’s vision to create successful neighborhoods.” Housing Element H-1.1, “Expanding Housing Supply” (10-A DCMR § 503.1).
- **Promoting home ownership:**
 - “Home ownership gives individuals a stake in the community and a chance to share in its growing prosperity. It can help foster civic pride and engagement, improve family stability, and enhance support for local schools and services. Importantly, home ownership provides a long term asset to build long-term personal wealth. For these reasons, the District has had a longstanding policy of helping its residents become homeowners” Housing Element H-3, “Home Ownership and Access” (10-A DCMR § 511.1).
 - “Enhance community stability by promoting home ownership and creating opportunities for first-time home buyers in the District.” Housing Policy H-3.1.1, “Increasing Home Ownership” (10-A DCMR § 512.4).

Remarkably, the OP report cites *none* of these provisions of the Comprehensive Plan. Instead, OP quotes provisions such as Policy LU-2.3.10, which expressly commands that “transient uses” such as “larger bed and breakfasts and small inns” be regulated through the special-exception process, and not allowed by right as the Council legislation contemplates.

OP’s memo does (at page 6) mention housing affordability in passing, but only to make the remarkable claim that STRs promotes affordability by providing supplemental income. This argument may hold true for current property owners, but it disingenuously ignores the plight of renters and future purchasers, both of whom face rising housing costs exacerbated by the increased conversion of long-term housing units to STRs.⁴ Worse, OP simply ignores the associated adverse effect on overall housing supply.

⁴ If anything, the rapid expansion of STRs creates a vicious circle. In the face of rising prices fueled by the

Suggested Alternative Standards

ANC urges the Commission to adopt more stringent standards to avoid these adverse impacts. Specifically, we recommend

- limiting STRs to the host’s own dwelling unit (and excluding additional units on the property), consistent with the current restrictions on bed and breakfasts;
- restricting occupancy to the **lesser** of 6 persons or 2 persons/bedroom; and
- restricting “owner-absent” STRs to 60 days a year (with an option to seek additional time in extenuating circumstances as described in the Council legislation).

* * *

As part of our vote, ANC 6C authorized Commissioner Joel Kilty (6C05) to present testimony on our behalf, with Commissioner Christine Healey (6C01) as the alternate.

Thank you for giving great weight to the views of ANC 6C.

Sincerely,



Karen Wirt
Chair, ANC 6C