

## STATEMENT OF PURPOSE AND JUSTIFICATION

In 2018, the Council adopted the Short-Term Rental Regulation Act of 2018 (D.C. Law 22-307) to regulate short term rental units in the District of Columbia. The law is scheduled to take effect as of October 1, 2019. Administrative costs were funded in the FY2020 budget. Under existing zoning regulations, short-term rental units are not permitted in residential zones in the District. While Law 22-307 would permit them, it does not change this zoning prohibition because zoning regulations can only be amended by the independent Zoning Commission.

On October 17, 2018, all Councilmembers signed a letter to the Chairman of the Zoning Commission urging the Commission to initiate a text case, as well as emergency rulemaking, to permit home-sharing. In response, at a special meeting on October 29, 2018, the Commission asked the Office of Planning to conduct an analysis of short-term rentals in order to inform a possible text amendment by the Commission. The Office of Planning has yet to issue the report requested by the Zoning Commission. In April, Chairman Mendelson wrote to the Zoning Commission asking it to insist that the Office of Planning submit its analysis by a date certain. At the Commission's next meeting, the Office of Planning declined to give any time frame for completion of its analysis.

The District of Columbia Council is now seeking to initiate the text case by submitting this formal request to amend the text of the Zoning Regulations to permit short-term rentals in residential zone districts when the property is the host's primary residence.

The proposed text amendments are as follows:

### AMENDMENT:

(a) 11 DCMR Subtitle B § 100.2 [Definitions] is amended by adding new paragraphs to read as follows:

**“Short-term rental: Paid lodging for transient guests within a residential dwelling unit, on property that is the host’s primary residence, and which is licensed to be a short-term rental. A short-term rental is not a hotel, inn, motel, boarding house, rooming house, or bed and breakfast.”**

(b) 11 DCMR Subtitle B § 200.2(u)(3) [Lodging] is amended to read as follows:

“(3) Exceptions: This use category does not include uses which more typically would fall within the emergency shelter or residential use categories, **and does not include a short-term rental;**”

(c) 11 DCMR Subtitle B § 200.2(bb)(2) [Residential] is amended to read as follows:

“(2) This use category also includes **short-term rentals and** residential facilities that provide housing and supervision for persons with disabilities, which may include twenty-four hour (24 hr.) on-site supervision, lodging, and meals for individuals who require supervision within a structured environment, and which may include specialized services such as medical, psychiatric, nursing, behavioral, vocational, social, or recreational services;”

### **RATIONALE:**

The proposed text is intended to permit Short-term Rental uses in residential zones and under conditions as would be consistent with the Comprehensive Plan, and the licensing requirements specified in D.C. Law 22-307. The Zoning Regulations currently specify the use of a "dwelling unit" is exclusively for residential occupancy. 11-B, DCMR § Definitions, Rules of Measurement, and Use Categories classify a residential use as offering habitation on a continuous basis of at least 30 days. The continuous basis is established by tenancy with a minimum term of one month or property ownership. Further, the Zoning Regulations define lodging as providing customers with temporary housing for an agreed term of less than 30 consecutive days, or any use where temporary housing is offered to the public for compensation and is open to transient rather than permanent guests. Further, a residential dwelling unit used to accommodate three or more guests for less than 30 days is categorized as a "lodging use" and is allowed only in buildings that are expressly approved for a hotel (defined as a commercial use).

The proposed text adds a new definition of a Short-term Rental and clarifies that Lodging uses do not include Short-term Rentals but that Residential uses do include Short-term Rentals. D.C. Law 22-307 places other restrictions on Short-term Rentals including length of stay and aggregate number of days a dwelling unit may be used for a short-term rental depending on whether the host for such a rental is on the premises during the rental or not. The proposed text only allows for the additional uses, while the regulation of the rental units is through the licensing law.