

## COUNCIL OF THE DISTRICT OF COLUMBIA

THE JOHN A. WILSON BUILDING 1350 PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. 20004

October 17, 2018

Mr. Anthony Hood, Chairman D.C. Zoning Commission 441 4<sup>th</sup> Street, NW 2<sup>nd</sup> Floor Washington, DC 20001

RE: Short Term Rentals

Dear Mr. Hood:

We write regarding the urgent need to update the Zoning Regulations to reflect the widespread presence of thousands of short term rental units in residential zones throughout the District. Chief Financial Officer Jeff DeWitt estimates that "approximately 80 to 90 percent of short-term rentals occur in residential zones" where transient rentals are currently prohibited.

As you may know, the Council is considering Bill 22-92, the Short Term Rental Regulation Act of 2018. This bill establishes as public policy that homesharing – i.e., short term rentals – are acceptable in residential zones. These rentals are to be permitted, by license, in any homeowner's primary residence. However, as you know, DCRA cannot issue licenses that are not in compliance with applicable regulations, including the Zoning Regulations. Thus, the need for the Zoning Commission to revise its regulations.

On any given day, there are approximately 1,000 short term rentals advertising availability on web-based booking service platforms such as Airbnb, Homestay, and VRBO. In total, there are about 9,000 short term rentals operating in the District. Short term rentals have emerged as part of the sharing economy, where everyday people open their personal homes to host tourists as a way to earn supplemental income. The demand is great, and the market is growing. The web-based platforms have enabled this growth both because of the advertising power of the internet and the security (as in safety) that the platforms offer to both hosts and guests.

The Chief Financial Officer estimates that Bill 22-92 will cost \$23-\$25 million annually in lost revenue. Some of this loss is due to other restrictions in the bill before the Council. But 80-90 percent of it is due to Zoning prohibitions on homesharing by homeowners.

It is imperative – both to the city's finances and the need for a viable regulatory scheme, that the Zoning.Regulations be revised. Accordingly, we request that the Zoning Commission initiate a text case, as well as emergency rulemaking, to permit homesharing.

Sincerely,

Mr. Anthony Hood, Chairman RE: Short Term Rentals

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