Certificate of Service

I hereby certify that on this 29th day of July, 2019, I served a copy of this Text Amendment on the following:

Jennifer Steingasser
Office of Planning
Jennifer.Steingasser@dc.gov

Gotlieb Simon
Office of the ANCs
Gotlieb.Simon@dc.gov

Julia Koster



COUNCIL OF THE DISTRICT OF COLUMBIA 1350 PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. 20004

Office:(202) 724-8032 Fax: (202) 724-8085

July 29, 2019

Mr. Anthony Hood, Chairman Zoning Commission 441 4th Street, NW Suite 210 Washington, DC 20001

RE: Short Term Rental Housing

Dear Mr. Hood:

As you know, last October 17th all 13 members of the Council requested that the Zoning Commission initiate a text case to permit short term rentals (such as Airbnb) in residential zones. Concurrently, the Council adopted a licensing law (D.C. Law 22-307) for short term rentals. I appreciate that the Commission met immediately in response. I was present when the Commission requested the Office of Planning (OP) to prepare a report so that a text case could be initiated. I also appreciate that at most, if not all, meetings since then you or your colleagues have pressed the Office of Planning for that report. I have been told by multiple sources that the delay has been deliberate.

D.C. Law 22-307 is intended to go into effect October 1, 2019. In the meantime, estimates suggest that as much as 80% of currently existing short term rentals are illegal under the Zoning Regulations. It is unacceptable that the law is being thwarted by deliberate delay, and unacceptable that thousands of homeowners using the short term rental platforms are being kept illegal.

In an effort to re-start the process, I am submitting with this letter an application for a text amendment, and I am hereby requesting the Zoning Commission to set down the case and schedule a hearing. I do not claim that the attached text is as polished as you would have received from the Office of Planning, but they can revise it, and submit what I know they already have, as part of the hearing process without forcing you – and the public – to further delay.

For the Commission to consider this matter today, and to set down the case now, I request that the Commission waive its rule for timeliness to put this on today's meeting agenda. I also ask that the Commission waive its rule requiring a report at this juncture from the Office of Planning. With regard to these requests I note the following: the Council requested initiation of a text case last October – over 9 months ago; at numerous meetings since then, the Commission has asked OP for its report; therefore the public has had notice that this text case is forthcoming; further, because this is a preliminary matter the public is not prejudiced by the waiver. As for the Office of Planning, it has had ample opportunity to provide whatever report it wants (and said it would produce long ago). Finally, a weighing of the public interest favors proceeding without further delay to eliminate the ongoing illegality of short rentals.

Please let me know what else you require to move this text case along. Thank you.

Sincerely,

Phil Mendelson

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.



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 4th Street, NW 2nd 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,

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Mr. Anthony Hood, Chairman RE: Short Term Rentals

October 17, 2018 Page Two

Phil Mendelson Chairman

Kenyan McDuffie Councilmember, Ward 5 Brianne Nadeau

Councilmember, Ward 1

Jack Evans Councilmember, Ward 2

Mary Cheh

Councilmember, Ward 3

Brandon Todd Councilmember, Ward 4

Charles Allen

Councilmember, Ward 6

Vincent C. Gray

Councilmember, Ward 7

Trayon White

Councilmember, Ward 8

Anita Bonds

At-Large Councilmember

David Grosso

At-Large Councilmember

At-Large Councilmember

/Robert White

At-Large Councilmember



COUNCIL OF THE DISTRICT OF COLUMBIA 1350 PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. 20004

Office:(202) 724-8032 Fax: (202) 724-8085

April 8, 2019 *By FAX*

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

RE: Short Term Rentals

Dear Chairman Hood:

Last October 17th, all 13 members of the Council sent a letter "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. The letter – again, signed by *all* Councilmembers – stated, in part:

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.

Now, almost six months later, a case has yet to be initiated. I am truly grateful that within days of the councilmembers' letter the Zoning Commission held a special meeting to discuss the matter. At that meeting, the Zoning Commission requested that the Office of Planning undertake an analysis and provide a report.

While I believe the Zoning Commission has been responsive, this issue has to move forward. I am writing now to request that at tonight's regular public meeting the Zoning Commission insist that the Office of Planning submit its analysis by a date certain. At OP's budget hearing before the Council's Committee of the Whole last month, Director Trueblood indicated the report might be submitted this month. Please insist on this as a commitment.

Sincerely,

Phil Mendelson