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Public Roundtable: DCRA's Implementation of the Short-Term Rental Act of 2018

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Good afternoon, Chairman Mendelson, Committee of the Whole, and staff. My name is Colin Johnson, and I am a Ward 3 constituent, real estate broker, and member of the DC Association of REALTORS® -- DCAR .

DCAR and our over 3,000 members are a voice for real estate professionals, small housing providers, homeowners, and renters who live and work in the District.

Thank you for the opportunity to submit comments today, and more importantly, thank you all for calling this urgent roundtable.

The DC REALTORS® is deeply troubled that DCRA's implementation of short-term rental regulations is hampering District homeowners from exercising their property rights within statutory and zoning guidelines. Specifically—allowing homeowners the latitude to decide which part of their home—the “accessory” or “principal” area—may be used as a short-term rental.

Concerning legislative intent, no language remotely suggests that homeowners shall only use the “accessory unit” of their property for short-term rentals. In § 30–201.01 a “short-term rental” is defined as paid lodging for transient guests with the host present unless it is a vacation rental. A short-term rental operates within a portion of the host's residential property.

Additional legislative boundaries include that a short-term rental must be the primary residence. If an owner's ADU and primary residence share the same tax ID, the entire property should qualify as the primary residence.

Further, with what is allowed in the zoning regulations, Title 11 Subtitle B-32, as amended, defines accessory use as-- use that is customarily incidental and subordinate to the principal use and located on the same lot with the principal use. Except for Short-Term Rentals and unless otherwise specifically permitted, an accessory use shall be limited to twenty percent (20%) of the gross floor area.

We are attempting to understand DCRA's perspective as it relates to limiting homeowners to renting out the smaller of two dwelling units to preserve the distinction between "principal" use and "accessory". Prior to amending the zoning regulations, the "use" argument may have been effective; however, the regulations clearly provide an exemption to short-term rentals and accessory use.

At the moment, prospective STR applicants' only remedy is to file an appeal with the BZA. This process can take months to realize and places an undue burden on homeowners.

DC residents purchase properties with accessory units with the intent of utilizing them as a source of income—whether to help subsidize their mortgage, plan for retirement, or help pay for their children's college tuition, homeowners ought to be able to use their property as provided in law. With STR enforcement slated to begin on April 10, DCAR implores the Council to take action to cure this issue.

Thank you for your leadership; we look forward to any questions.