



May 26, 2017

Dear Chairman Mendelson and members of the Council,

I am writing to affirm D.C. Working Families Party's support for the Short-term Rental Regulation and Affordable Housing Protection Act of 2017. This legislation is critical to protecting affordable housing on behalf of District residents. As a previous two-term member of the Montgomery County Council, I know what it's like to listen to and sort through the opinions for and against an important piece of legislation. If passed and signed, the Affordable Housing Protection Act will improve the lives of your constituents for many years to come.

There has been tremendous support for Councilmember McDuffie's proposal to address short-term rentals. When I testified in favor of the legislation, I delivered the names of 5,055 D.C. residents who have signed on in support of this legislation and want to see it passed. That number has only grown.

I think by now the need for action is clear. As District residents continue to leave the city seeking affordable housing in nearby jurisdictions, we are witnessing some very disturbing trends. We see party houses taking over residential neighborhoods. We see investors buying one, two, three or more homes at a time and converting them into full-time Airbnbs. Just recently we learned about an Armenian company that is being sued by the Office of the Attorney General Office of Consumer Protection in an investigation where apartment managers or owners are treating rent-controlled apartments like hotel rooms and renting them out on sharing-economy platforms. This is in violation of the of the District's Rental Housing Act and the licensing requirements put in place to regulate hotels. Ginosi USA, allegedly collects sales taxes from guests but fails to remit them to the District.

This past December—on what was probably the coldest day we had last winter—I stood with Ward One Councilmember Nadeau and other advocates as we conducted an exposé on an entire rent-controlled building that had been purchased and put up on a short-term rental platform. When we held the event last December, the Latino Economic Development Center had already made DCRA and DHCD aware of this property more than a year beforehand.

It took a major media event and the direct involvement of the Councilmember to bring about any kind of enforcement on this single infraction. Meanwhile, Airbnb alone is illegally taking thousands of homes and apartments off the market. It is clear that our current enforcement regime is broken, and we need the leadership of the Council to demonstrate that the District of Columbia will not tolerate investors converting our badly-needed housing into commercial operations.

Make no mistake—when not properly regulated, Airbnb and platforms like them are tools for gentrification. As we found in the housing report we commissioned this year, investors have an enormous incentive to set up full-time tourist operations. As we learned recently in New York, the vast majority of Airbnb hosts in African American neighborhoods were white. This is not about creating opportunities for people of color. It's about creating opportunities for investors to speculate in gentrifying neighborhoods and take away housing where it is needed most.

But let me take a step back and address the legislation at hand. Our coalition believes in home sharing. When it's done right, it allows homeowners the option of renting out space in their homes

to make extra money. The homeowners must live in their homes to make home sharing work the way that it is intended. It isn't designed to take affordable housing units off the market.

Councilmember McDuffie's legislation makes that possible. It creates a fair, easy process for hosts to legally share their homes to make extra money. And it creates a system where we know who is renting their homes, for how long, and done properly, neighborhoods remain safe, housing remains affordable and available, and commercial operators follow the intent and the letter of the law.

And, most importantly, it holds hosting platforms like Airbnb accountable.

In some cities, a voluntary corporate policy was put in place, but it wasn't enough. Councilmember McDuffie's bill is fair and equitable for both home owners and commercial operators. This bill would create a new business license for short-term rental hosts and have a tougher enforcement mechanism than current rules. There is a real need in the District to create a sensible regulatory framework for short-term rentals.

We believe that the final version of the short-term rental bill should require that residents only host short-term rentals in their primary residence. We also believe that the only way to minimize the temptation to convert housing into fulltime Airbnbs is to keep the vacation days low. Most people have two weeks of vacation per year. As result, we think 15 days is a reasonable cap. The 15-day cap and a primary residence requirement will go a long way toward maintaining the residential character of our neighborhoods.

This is the right piece of legislation, at the right time. I urge its passage.

Sincerely,

Valerie Ervin

Senior Advisor

Working Families Party