



20 January 2023

Virginia Beach Delegation to the Virginia General Assembly  
Pocahontas Building  
900 East Main Street  
Richmond, VA 23219

**Subj: SB1391 and HB2271, regarding Short-term rental property; locality's ability to restrict property managed by a Virginia realtor**

Honorable Senators and Delegates,

Thank you for all that you do. Your dedication to Virginia and its citizens is very appreciated. And we certainly know that you often have a thankless job.

I am writing to you today to urge you to **vote Against Senate Bill No. 1391 and House Bill No. 2271**, which seeks to amend the Code of Virginia § 15.2-983 (Creation of registry for short term rental (STR) of property). Additionally, we ask you to oppose HB 1362, carried over from the 2022 session, and any other legislation that would override or limit the authority of localities to regulate Short-Term Rentals (STRs.)

As I am sure that you are aware, the City of Virginia Beach Policy with respect to the General Assembly Legislative Agenda for 2023 opposes any legislation that: (1) Compels localities to allow STRs, (2) Limits the ability of localities to regulate STRs, and (3) Overrides local authority for STR land use or planning. The Croatan Civic League agrees with these positions and asks that, if necessary, the City of Virginia Beach Policy be the basis for any legislation regarding STRs.

Having reviewed the North Virginia Beach Civic League letter dated January 17, 2023, I will, for the sake of brevity and your busy schedules, not repeat the details of their critical arguments. However, I will emphasize a few key points.

1. Most permanent residents of long-established neighborhoods oppose STRs. Croatan, in Virginia Beach, is immediately south of the Resort Tourist District separated by the narrow Rudee Inlet Federal Waterway. It is a unique, small, tightly knit, coastal community with a public beach lying near major attractions and events which make it desirable as a place to live. Thus, it is very desirable to potential short-term owners, short-term renters, real estate investors, and property managers as well. There is a single road for access, narrow streets - most without sidewalks, and no commercial venues. Many of our residents have lived here for at least a decade and quite a few significantly longer. It is in the true sense of the word, a neighborhood. With approximately 525 single-family homes it is fair to say that an unlimited number of STRs would destroy the neighborhood. Realistically, these bills would result in "Virginia realtors" pushing hard to expand this very lucrative market space.

2. As noted in the 2022 session, SB602 (Short-term rental properties; definition, locality requirements and restrictions) was requested to be struck by Senator DeSteph with his comments that, “The General Assembly does not pass bills to change the code on an issue with pending lawsuits.” Given that there is a lawsuit pending (Civil Action No. CL21-4787) against the City of Virginia Beach, and probably others around the State, why are the 2023 bills different? The language in these bills appear to be an “end run” by realtors and/or Realtor Associations. Why are Realtors being given special status and a carve out?
3. In the 2022 session, HB1362 was carried over to the 2023 session. SB1391 and HB2271 are clearly slightly modified versions of 2022 HB1362. The carry-over was supposedly to allow for further study and was to be referred to The Department of Housing and Community Development (DHCD). DHCD has stated that no request was received, so no study was done. We agree that a comprehensive study of “STR Impact on Virginia Neighborhoods” is a necessary requirement to begin having an honest discussion about STRs. Why would either bill move forward without understanding the totality of virtuality unlimited STR benefits and impacts on local communities? We are asking that consideration of these bills be discontinued until a fair analysis is done and presented to the citizens of Virginia for comment.
4. The two bills create a special class, “Virginia Realtor,” with what appears to allow that class to disregard codes and rules that local governments have created to manage STRs. The legislation hands STR oversight and gives unfettered rights to real estate agents. They will be allowed to manage an STR property anywhere in the State of Virginia without addressing any of the zoning, compatible use, safety, due diligence, or community integrity that communities and governments address through ordinances with verification and enforcement.

Of course, the counterargument is that they have “business practices and policies” that will ensure that STRs will be properly managed and have no impact on the safety and tranquility of residential neighborhoods in the State of Virginia. The Code of Ethics and Standards of Practice of the National Association of REALTORS® (NAR) states that, “The duties imposed by the Code of Ethics encompass all real estate-related activities and transactions whether conducted in person, electronically, or through any other means (Standards of Practice 1-2.)” This document is extensive, consisting of a Preamble and 17 Articles within which there are 90 highly detailed Standards of Practice. Other than this broad and ambiguous statement (SOP 1-2) quoted above, there are no specifics regarding duties that cover rental or property management activities that might provide confidence to local governments and neighborhoods. If these bills are passed, we will have to hope that personal ethics and local business practices will override financial gain. That said, hope is not a method.

Virginia Beach, like most cities and towns in Virginia, has found that it is challenging to enforce zoning regulations for existing STRs. To be more effective, the City Council passed regulations to refine the management and operations of STRs in September 2021. These zoning regulations have had a positive effect on the citizens who live here. It would be wise to let these work and allow refinement over time to meet the needs of local businesses, STR owners and investors, and the citizens of our city.

If passed, these bills imply that the Virginia State Legislature does not care what most of its citizens want or the negative impact resulting. The Croatan Civic League is absolutely opposed to these bills. It would be a disaster for all communities, have unintended safety consequences, and will encroach upon the tranquility of all residential neighborhoods in the State of Virginia.

Again, thank you for your dedication to our State and citizens.

Sincerely,



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