



Welcome to the VAMA Chapter Network



The Virginia Apartment Management Association

2812 Emerywood Pky., Suite 231

Richmond, VA 23294

(804) 756-VAMA • (804) 756-8210 Fax

www.vamaonline.org

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Contact: Brian Gordon,
Vice President, Government Affairs, Virginia
Virginia Apartment Management Association
(703) 307-0564

VAMA Endorses Virginia Housing Commission Bills to Reduce Evictions, Reform Legal Process

The Virginia Apartment and Management Association (VAMA) has endorsed a package of legislation advanced by the Virginia Housing Commission to reduce evictions and reform Virginia's legal process.

VAMA represents the owners and managers of a 220,000 multifamily residential units statewide, proactively engaged in a Work Group convened by the Virginia Housing Commission during the 2018 legislative interim. The Commission's collaborative process brought stakeholders to the table representing a variety of perspectives on all sides of the issue, including representatives of the Virginia Poverty Law Center and the Legal Aid Society of Central Virginia. Over the course of several meetings and months of discussion, the Work Group's efforts yielded a consensus work product consisting of six proposed measures:

- S.B. 1626 (Barker) reforms Virginia's appeal bond procedure to require only that a tenant remain current on rent paid into escrow. Under existing code, a tenant may be required to pay up to the remaining amount for the entire lease term into escrow. This eliminates a significant barrier to tenant appeals.
- H.B. 1922 (Bourne) and S.B. 1627 (Barker) ensure timely and efficient consideration of unlawful detainer motions and protect tenants by requiring that proper termination notice be entered into evidence. The bills further eliminate the practice of repetitive unlawful detainer filings, which can disadvantage tenants seeking future housing.
- H.B. 2054 (Carr) and S.B. 1676 (Stanley) codify best industry practice of providing a written lease to protect tenants against bad actors within the housing industry, and stipulate the terms that apply where a housing provider fails in this obligation.
- H.B. 2007 (Aird) and S.B. 1448 (Locke) vacate a writ of possession after 180 days to guard against retaliatory evictions while allowing sufficient time for offline payment arrangements between the housing provider and tenant in order to avoid eviction.
- H.B. 1898 (Foy) and S.B. 1445 (Locke) extend the timeline on a tenant's one-time right of redemption, granting tenants additional time to "pay to stay."
- H.B. 2655 (Collins) and S.B. 1450 (Locke) establish a pilot eviction diversion program to allow tenants with an otherwise strong rental history to recover from a financial set back and enter a payment plan to get back into good standing.

These 11 bills provide residents with many opportunities to catch up on rental payments and avoid eviction while also allowing the flexibility for managers and residents to continue to enter into payment arrangements outside the court system.

VAMA's mission is to serve the interests of multifamily owners, managers, developers and suppliers by maintaining a high level of professionalism in the multifamily industry to better serve the rental housing needs of the public.

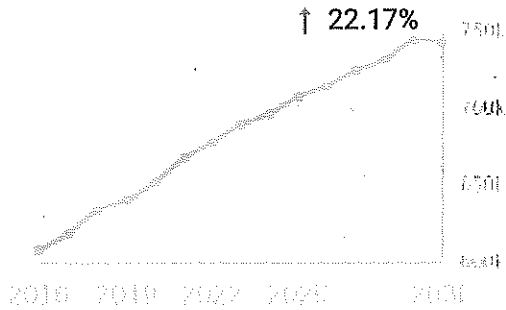


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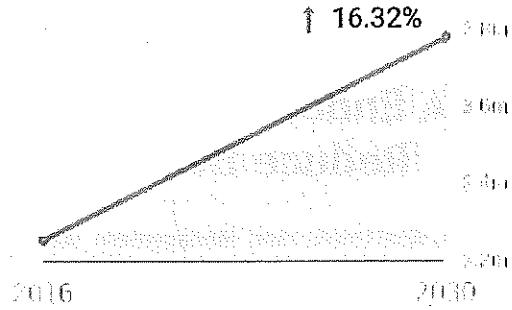


Virginia

New research shows that demand for apartments is on the rise. Whether it's young professionals, couples, families or empty nesters, this state will need to add 135k new apartment households by 2030

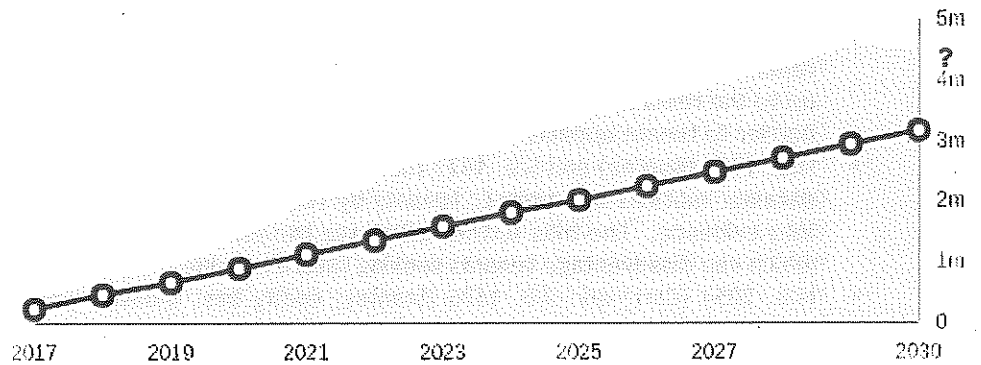


Apartment Household Growth



Household Growth

- New Apartments Needed
- Avg Annual Construction Rate (2011-2016)
- 4,598,379 Apartment Homes Needed in **the Country**



We Need to Build More Apartment demand is growing and the industry needs to keep up. However, producing enough new apartments to meet demand requires new development approaches, more incentives and fewer restrictions

MARKET SNAPSHOT

1m	520.2k	\$22.4b	223.1k
Apartment Residents	Apartment Homes	Economic Contribution	Total Jobs Supported



EVICTIONS IN VIRGINIA – WHAT YOU WON'T SEE IN THE NEWS

1. The data

- There are serious flaws with the Princeton University study and evictions are not the problem in Virginia that they have been portrayed to be
- Most glaringly, the study recorded unlawful detainer filings (the beginning of the process) rather than actual evictions
- The data penalizes Virginia for having 38 of the 41 independent cities nationwide. If Richmond, VA numbers were combined with the surrounding counties, as they are with all the rest of the Princeton data, Richmond's eviction rate would be much lower
- The actual data shows that about 85% of the time, the housing provider and tenant are working out an arrangement to avoid eviction after the unlawful detainer has been filed; that is to say, the court process is bringing the parties together to reach a mutually agreeable solution that keeps the tenant in place

2. Industry is not to blame

- We recognize when people are struggling and generally a housing provider will work with a tenant to avoid eviction
- Eviction is always a last option for a housing provider as it results in significant revenue loss over the duration of the 60-90 day process, court costs and costs associated with turning over a unit
- Housing Authorities are the number 1 UD filers and often are the worst maintained housing tracts.
- Increased regulation over an entire industry will not solve the issues. It's like punishing an entire class for one student's bad behavior. The bad behavior won't stop until it is addressed on a case by case basis. Increased code enforcement activity is paramount
- We recognize that any reasonable initiatives to reduce evictions help both the tenant and housing provider; as such we have actively and productively participated in the Housing Commission process convened by Senator Mamie Locke

3. Evictions are only a symptom

- While we have identified a number of procedural reforms that will help to avoid evictions, the root of the problem remains the inability of lower-income Virginians to afford housing as wages have failed to grow commensurate with housing costs
- We will not truly address this issue until the state gets serious about investing in and removing barriers to the development of more affordable and workforce housing options. Getting financing and approval for apartments in general is extremely difficult. Getting financing and approval for Tax Credit or other low income housing is nearly impossible.

VAMA's mission is to serve the interests of multifamily owners, managers, developers and suppliers by maintaining a high level of professionalism in the multifamily industry to better serve the rental housing needs of the public.



2019 General Assembly Session so Far:

I. Overview of VAMAs legislative efforts:

General Assembly Lobbyists: VAMA has a contract arrangement with AOBA for lobbying services. This partnership provides Virginia with 2 full time lobbyists at the General Assembly during session. For Brian Gordon and Bismah Ahmed everyday is lobby day.

Watch List – VAMA is monitoring several hundred pieces of legislation this session. Our weekly General Assembly Update covers the highlights of the week but a comprehensive list is available on request. It is over 100 pages therefore, we do not distribute to everyone.

II. Bills that have not advanced this session

- A. Extend the Material Noncompliance for Nonpayment of Rent from 5 day notice to 14 day notice. Great advocacy from members on this. We were able to defeat 2 bills that contained this language.
- B. Source of Income – this bill has not received a hearing this year, however, Delegate Bourne 's determined to get this into fair housing law so we will need to work hard in the interim to come up with an alternative that will satisfy him.
- C. Insurance – VAMA was able to get amendments to what could have been a disaster of a bill which would have required that we cover resident's personal property on our insurance – it was very poorly drafted.
- D. Stay of Evictions for 30 days for anyone effected by the Government Shutdown. We were able to get amendments to this bill that will allow us to work out payment arrangements with residents and not go to court at all. If, we do end up in court at a later time, the 30 day stay will not apply if other arrangements were made outside the court system. Additionally, we asked that the bill be amended to only apply to UD cases for non-payment of rent and not other issues.
- E. Attorney's Fees for Residents to be paid by property. VAMA was able to defeat one bill with this provision and get another amended to only apply in Tenant's Assertion cases that are lost by the property.
- F. Hold Owners Liable for Residents unpaid trash bills – a bill that would have allowed localities to put a lien on property for unpaid trash bills was amended at VAMA's request to only allow this if trash is billed as a combined charge on the real estate tax assessment. Property owners should not be responsible for a another person's unpaid bill.

III. Evictions and the Housing Commission

The committee's approach:

1. We believe that VAMA members work with residents that are behind on their rent and behave ethically in general. Unfortunately, not all property owners take a fair approach. The news media is reporting only one side of the eviction story and lawmakers are facing intense pressure from constituents to "do something".
2. The industry must participate in the process in order to have a voice in the legislation; otherwise laws will be passed over our objections leaving us without a voice at the table.
3. We know that VAMA members have varying policies regarding past due rent and evictions, however, most members operate similarly.
4. VAMA participation in the Housing Commission process was approached from the perspective of formalizing a process that most members are already using.

IV. Housing Commission Bills – VAMA Supports these bills

1. Require written leases. A landlord will be required to offer a written lease. If a written lease is not offered then certain legal protections will take effect.
2. File one UD at a time for nonpayment of rent. Judges will be required to allow an original UD to be amended to include any monies owed. A second UD may be filed for any other lease violation. This bill was drafted so that a resident's profile, when returned by a screening company, will not show multiple UDs for one court date. VAMA was able to add to this bill and amend the language regarding UD hearings from 21 days or as soon as is practicable to "21 days but in no event later than 30 days after filing"
3. Extension of right of redemption timeframe. The timeframe to pay all monies owed and exercise a one time right of redemption will be extended to 48 hours before eviction. Currently residents must bring all money to court. This compromise was struck in order to preserve our current legal timeframe. The initial bill included a provision which would have required properties to wait until the 10th or 15th of the month to even file a UD. This compromise provides residents with the additional time they may need to avoid eviction without requiring landlords to wait to file.
4. Appeal Bond process changes. After an order of possession is issued by the court a resident has 10 days to appeal. Currently, residents must pay anywhere from 2 - 8 months of rent IN ADVANCE in order to file an appeal. The legislation will change this process so that a resident must only pay what is outstanding and the current rent as it becomes due. This change will provide residents with the option to actually appeal. I don't know about you but I don't know many people who have 2-8 months of rent in savings.
5. VAMA Concept: Return of unexecuted writs of possession to the courts. Currently, if an eviction is cancelled by a property manager, none of the screening tools that our industry uses can track that information. This bill will require sheriffs to notify the courts and return the unexecuted eviction to the court system so that the courts can track the fact that while a resident may have lost their UD case, they were not actually evicted. The reason for this

legislation is so that apartment owners will have more information in order to evaluate an application. There is a big difference between a resident that paid and stayed and a resident that was actually evicted. This legislation will provide residents with a more accurate screening and managers with more information. Additionally this bill makes changes to the length of time a writ of possession remains valid. Orders of Possession will last 180 days. A new phrase, Writ of Eviction. An order of Possession is issued by the court. A manager will then request a writ of eviction. This writ of eviction will be sent to the Sheriff to be executed. Any unexecuted writ of eviction will be returned to the courts after 30 days, effectively canceling the eviction. Managers have the right to request a new writ of eviction anytime during the 180 day period.

6. Pilot/Test Eviction Diversion Program. VAMA knows that members do their best to stay out of court and work with residents that come in and make payment arrangements. Not all property owners spend time working with residents, however, therefore an eviction diversion pilot/test program is desired by the Governor and some legislators. In fact, the Governor stated that an eviction diversion program is one of his top priorities. If the Housing Commission does not develop this program, it is likely that the Governor will enact a program without any industry feedback by executive order.

In light of this political climate, VAMA worked diligently to find common ground with tenant advocates and develop a program that matches what conscientious, ethical companies are already doing.

Below is a synopsis, in broad strokes, of an eviction diversion program to which VAMA can agree. There are still meetings taking place and VAMA will present our version of this bill to the full VA Housing Commission at its next meeting which is currently scheduled for December 21, in Richmond:

- The program will not take effect until 2020 and will only be put in place in 4 test cities. The program will also expire in 2023 unless the General Assembly reenacts it.
- A resident must show up in court and ask to utilize the program
- A resident must swear that they have sufficient funds to make payments
- Property managers will have the opportunity to object to a resident being placed in the program if the resident has a poor payment history
- **If the resident is accepted into the diversion program they will have to bring 25% of the outstanding balance to court and will then have 3 months to pay the remaining balance. The resident must also make their regular rent payments on time.**
- If the resident misses a payment, property managers contact the courts and an order of possession is automatically issued without the need to return to court. This system is much better than making those constant calls asking a resident when their catch-up payments will make it into the office.



Why does VAMA Compromise on Legislation?

The short answer is – if we don't participate and compromise VAMA will simply be left out of the process all together leaving the “other” side to give the only input on potential laws.

The Longer Answer Using the Eviction News as an Example:

VAMA members have surely seen news reports regarding the “eviction crisis” in Virginia. A report from “Eviction Lab” by a professor from Princeton indicated that Virginia has 5 of the top 10 highest eviction cities. There are serious issues with the data, however, no new media outlets in Richmond are reporting those issues. The Hampton Roads area has had more diverse reporting on the issue.

Because of all this news about evictions, lawmakers are facing intense pressure to “do something about it”. *In fact, the Governor indicated that if he was not happy with the legislation recommended by the Housing Commission, he would simply enact a statewide eviction diversion program by Executive Order.*

VAMA was able to secure a seat on the Virginia Housing Commission's Eviction Work Group and work within the system to amend bills so that they are palatable for the industry. Initial bills included items such as:

- Mandatory eviction diversion for every nonpayment of rent case.
- Extension of our standard 5 day notice to a 14 day material noncompliance notice
- Unlimited rights of redemption
- Limits on late fees
- Accepting maintenance issues as a defense for non-payment of rent
- Source of Income as a Protected Class

NONE of these initial bills made it though the Housing Commission's process without amendments because VAMA was there fighting for common sense legislation. If VAMA refuses to compromise or if VAMA walks away from the table in protest, bill will simply be passed without our input. The system may not be ideal, but it is the system we have so VAMA must work within it.

What can you do? The more you communication with your personal legislators, the more influence VAMA will have at the General Assembly. Developing personal relationships with Delegates and Senators is the best way to get your point of view across to lawmakers.



VAMA's Lobbying / Legislative Work

- **TWO Lobbyists** = VAMA has TWO full time lobbyists at the General Assembly each year.
 - **300 Pieces of Legislation** = VAMA monitors several hundred individual pieces of legislation at the General Assembly. A full list of these bills is available on request – it is over 100 pages.
 - **Fighting to Protect YOU** = VAMA works to protect property interests and to promote common sense decisions at the state legislature.
 - **Working Year Round** - VAMA is part of the process outside session. VAMA was appointed a seat on the Housing Commission sub-committee on evictions and successfully negotiated a package of bills that are fair for our members. VAMA participated on several CARE (campaign to reduce evictions) work groups to insure that the property manager's perspective was presented. VAMA attends many meetings with local officials and other organized groups to spread the VAMA message.
 - **Stay Up to Date** - VAMA posts a week by week update on www.vamaonline.org covering the highlights of the General Assembly Session. Off session, VAMA produces a monthly newsletter that details any legislative happenings in the interim.
- **YOUR Mission** – when you get an action alert from VAMA, please do what it asks and ask 5 other people in the industry to do it too! YOUR VOICES matter and we need lots of voices to be heard through all the noise.