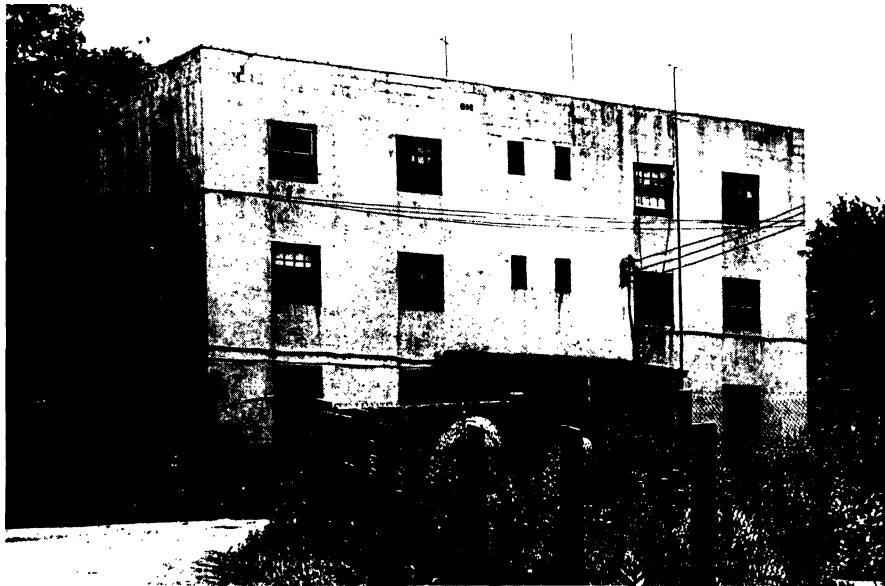




REPORT

TO
THE GOVERNOR OF VIRGINIA
THE HONORABLE LINWOOD HOLTON
AND
THE HONORABLE MEMBERS
OF THE
GENERAL ASSEMBLY
NOVEMBER, 1973



THE VIRGINIA HOUSING STUDY COMMISSION

ABSTRACT

TITLE: Report of the Virginia Housing Study Commission, November, 1973

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Study Commission to the Governor and General Assembly

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ABSTRACT: This document is the second biennium report of the Virginia Housing Study Commission to the Governor and members of the Virginia General Assembly. It presents a summary of the findings of the Commission and recommendations of the Commission. The major recommendations are:

Adoption of a uniform statewide residential landlord
and tenant act
Creation of a State Department of Housing and Structures

The Commission also recommends that it be continued for two more years in order to more closely examine the political, legal and environment constraints to the supply of housing.

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Letter of Transmittal

Commonwealth of Virginia
Housing Study Commission

Richmond, Virginia
November 16, 1973


The Honorable Linwood Holton,
Governor of Virginia
Honorable Members of the Virginia
General Assembly

Dear Governor Holton:

Pursuant to directions of the 1972 Virginia General Assembly,
I respectfully submit a Report of the Virginia Housing Study Commission.

The series of public hearings conducted since 1972 by the Commission was devoted to a number of topics, including the Uniform Building Code, landlord-tenant relations, the supply of low and moderately priced housing and the cost of transferring property ownership. In the course of these hearings, the Commission became alarmed with the likely consequences of two housing market characteristics repeatedly noted in testimony: the soaring cost of housing and the anticipated sharp reduction in the supply of new housing in the Commonwealth.

To emphasize its concern, the Commission has taken the step of attaching a Statement of Findings to this Report.

Sincerely,

Alan A. Diamonstein
Chairman

COMMISSION MEMBERS

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Chairman
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Senate

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5th Senatorial District

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Statement of Findings

Virginia Housing Study Commission

It is the major finding of the Virginia Housing Study Commission that the high cost and unavailability of housing is one of the most serious problems confronting citizens of the Commonwealth.

Characteristics of the high cost of housing are:

- * Because of restrictive monetary policies, rates on conventional home mortgages, when obtainable, are in excess of the highest levels recorded in the last century in America.
- * Mortgages on essentially all federally subsidized housing are unobtainable.
- * Despite an eighteen (18) month freeze ending in January, 1973, rental rates have risen an average of 20% since 1970.
- * Housing construction costs have risen ten percent (10%) annually since 1970 and are projected to rise thirteen percent (13%) in the next ten (10) months.

Characteristics of the unavailability of housing are:

- * The several area-wide sewer and water moratoriums which will limit increases in the supply of housing almost to replacement levels only.
- * The share of new construction which is high cost housing has been rising as a result of political, legal and environmental pressures; these pressures are squeezing low and moderate income families out of the housing market, and include:
 1. An unwillingness by many suburban localities to accept a modest amount of low and moderately priced housing for core city inhabitants.
 2. Legal road blocks to those few local ordinances which provide for scattered low and moderately priced housing in suburban localities.
 3. Restrictive zoning practices establishing arbitrary new house-lot sizes, some as large as two (2) to five (5) acres, to satisfy sewerage disposal considerations.

The results of high and increasing housing costs due to tight money and inflation, and the reduction in housing construction and housing availability due to political, legal and environmental pressures are:

- * The near absence anywhere in Virginia of new or old **single family** (except core-city) housing available for less than \$22,000.
- * A sharp reduction in the accessibility to any owner-occupied or rental housing unit by families with median or below median incomes. This is the continuation of a trend starting in 1960; between 1960 and 1970, the Virginia housing stock accessible by families with median incomes or less fell by 128,000 units while the housing stock accessible by above-median income families rose by 401,000 units.
- * The absence of replacement housing for substandard housing which Virginia contains at twice the national average:
 - a. In 1970, 21.4% of all owner-occupied housing was valued at less than \$10,000.
 - b. 22% of all rental units in Virginia in 1970 carried a monthly rent rate of \$60 or less - an amount approximately equal to the maximum welfare shelter allowance excluding utilities.
- * The growing utilization of mobile housing as the only financially manageable housing for families with median incomes or less. The number of mobile homes in use in Virginia grew eleven-fold between 1950 and 1970.

The State Housing Goal of "the Opportunity for Safe, Decent and Sanitary Housing, in an Environment Conducive to Pleasant Living for Every Virginian" is not being met due to the above factors.

Constraints to the provision of plentiful, low cost housing imposed by high costs can be removed at the local, State and Federal levels. Constraints to the provision of plentiful, low cost housing imposed by political, legal and environmental considerations should be treated, foremost, at the local level.

IT IS THE SENTIMENT OF THE COMMISSION THAT PLANNING DISTRICTS AND LOCAL VIRGINIA GOVERNMENTS BEAR THE MAJOR PLANNING AND ADMINISTRATIVE BURDEN OF REMOVING POLITICAL, LEGAL AND ENVIRONMENTAL CONSTRAINTS TO FURTHER INCREASES IN THE SUPPLY OF HOUSING. THESE CONSTRAINTS SHOULD BE REMOVED WITH THE LEGISLATIVE AND FINANCIAL ASSISTANCE OF BOTH THE STATE AND FEDERAL GOVERNMENT.

IT IS NOT IN THE PUBLIC INTEREST FOR LOCAL GOVERNMENTS TO UTILIZE POLITICAL, LEGAL AND ENVIRONMENTAL CONSTRAINTS AS A RATIONALE FOR SLOW GROWTH, WHEN THE CONTINUED EXISTENCE OF THESE CONSTRAINTS IS THE RESULT OF THEIR OWN CONSCIOUS INACTION.

Introduction

In its charge of 1972, the Virginia General Assembly directed the Commission to continue its study of landlord-tenant relations, the quality and quantity of rental housing, the supply of housing for persons displaced by public action, and all relevant provisions of the laws of the Commonwealth to determine whether or not they are adequate to meet the present and future housing needs of all income levels. Since then, the Commission has held two series of public hearings.

The Commission's Interim Report, submitted to the Governor and the General Assembly in November, 1972, contained five recommendations covering subjects noted in testimony presented at the first series of public hearings. Recommendations acted upon or accepted by the Governor and the General Assembly were:

1. Development by the State Highway Department of "subdivision street standards" to reduce the cost of housing.
2. Preparation and publication of information for real property buyers and sellers on costs involved in the transfer of real property.

The second series of public hearings was devoted to landlord-tenant relations, the quantity and quality of rental housing, and the adequacy of extant laws if the Commonwealth is to meet the present and future housing needs of all Virginians. This Report contains recommendations based on testimony presented at these public hearings.

The Commission has become aware as a result of testimony it received since 1970, that it has left much work undone. Several critical areas of

neglect are outlined in the Commission's Statement of Findings attached hereto. Another area of great concern to the Commission is the almost complete absence of constructive study by some public officials regarding alternative techniques to provide low income families with quality housing they can maintain. Extensive study is needed, also, on the supply of student housing at Virginia's colleges and universities, and on the new communities alternative to suburban sprawl. Reston is nationally recognized as a model new community; yet the State in which it is located has largely ignored it and the concept which it portrays so well.

The following recommendations are submitted for deliberation to the Governor and the General Assembly; they are presented in the spirit that the Commonwealth has an obligation to help provide for the common well-being of all citizens by making available the "Opportunity for Safe, Decent and Sanitary Housing, in an Environment Conducive to Pleasant Living for all Virginians":

- * ADOPTION OF A UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT.
- * FORMATION OF A STATE DEPARTMENT OF HOUSING AND STRUCTURES.
- * RECORDATION OF ALL CONTRACTS INVOLVING THE EXCHANGE OF RESIDENTIAL REAL PROPERTY.
- * CONTINUED APPLICATION OF THE VIRGINIA BUILDING CODE TO EDUCATION FACILITIES.
- * REVISION OF QUALIFICATIONS FOR MEMBERSHIP ON LOCAL PLANNING COMMISSIONS.
- * REQUIRING ALL NON-RESIDENT RENTAL PROPERTY OWNERS IN VIRGINIA TO HAVE REGISTERED AGENTS.
- * PREPARATION AND DISTRIBUTION OF INFORMATION ON TENANCY AND HOME OWNERSHIP.
- * PROMULGATION OF A VOLUNTARY LOCAL MODEL BASIC HOUSING-PROPERTY MAINTENANCE CODE.

- * CONTINUATION OF THE COMMISSION.
- * MODERNIZATION OF REAL PROPERTY TRANSFER PROCEDURES.

PROBLEM AREAS AND RECOMMENDATIONS

UNIFORM STATEWIDE RESIDENTIAL LANDLORD-TENANT ACT

The area of landlord-tenant relations is of direct interest to some 1.9 million Virginians who live in rental dwellings. Renters are found everywhere although generally urban localities in the Commonwealth are characterized by a higher proportion of rental dwellings than rural areas. The pattern in urban areas as they grow and mature is for a majority of all dwellings to become rental units. Alexandria (71%) and Arlington (65%) exhibit this characteristic which is emphasized by their relatively high rate of in-migration. Norfolk (55%), Richmond (48%) and Petersburg (47%) also contain a very sizable share of rental dwellings. Areas which will become increasingly characterized by rental dwellings are Roanoke (37%), Newport News (42%), Lynchburg (39%) and Portsmouth (42%). Black Virginians are more likely than white Virginians to live in rental dwellings.

The Virginia Housing Study Commission was specifically charged by the 1972 General Assembly to consider . . . "the landlord and tenant relationship in the housing market . . ." and examine . . . "all relevant provisions of the laws of this State to determine whether or not existing laws are adequate to meet the present and future housing needs of all income levels in this State and... (to recommend) ... changes in such laws as it shall deem appropriate."

In response to this charge, the Commission conducted six public hearings designed to provide members with the broadest exposure to the status of landlord-tenant relations in the Commonwealth.

From the great amount of testimony presented at these public hearings, the Commission has drawn three basic conclusions on the status of landlord-tenant relations in the Commonwealth:

- (1) There are few State statutes regarding landlord-tenant relations with the result that the status of these relations appears very uneven across the State, and depends largely on the goodwill or absence thereof on the part of landlords and tenants.
- (2) The provision by landlords of commonly accepted services to tenants is not assured anywhere in the Commonwealth; likewise, the commonly accepted obligations of tenants to landlords is not assured anywhere in the Commonwealth. Tenants are largely unwilling or unable to effectively obtain a position of equilibrium with the bargaining position now held through tradition by landlords.
- (3) There is no standard by which landlords and tenants can determine their rights and obligations in the residential rental process.

It is the sentiment of the Commission that remedy for these three characteristics of extant landlord-tenant relations in the Commonwealth can be provided in the following manner: Establishment of a statewide statute which clearly spells out the minimum legal rights and obligations of landlords and tenants, and which as a result, provides for a balance in the bargaining positions of landlords and tenants.

The Commission, therefore,

RECOMMENDS:

ADOPTION OF A UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND
TENANT ACT SPECIFYING MINIMUM OBLIGATIONS AND RIGHTS
FOR BOTH LANDLORDS AND TENANTS.

Components of the Uniform Statewide Residential Landlord-Tenant Act which the Commission recommends for adoption by the General Assembly are briefly discussed in this section of the Report in the following order: Landlord Obligations to Tenants; Tenant Obligations to Landlords; Tenant Remedies to Landlord Actions; Landlord Remedies to Tenant Actions; Retaliatory Action. Public and institutional housing covered by federal tenant-landlord regulations would be exempt from this Act.

Landlord Obligation to the Tenant

Many witnesses at the Commission's public hearings criticized the apparently arbitrary behavior of some landlords. The Commission feels that the large majority of landlords treat tenants fairly. However, the Commission is also aware that a small minority of landlords do seek to take advantage of tight housing markets by treating tenants unfairly; it is unfortunate that the action of these landlords has given rise to the need for State guidelines in the residential property rental process.

The Commission heard numerous proposals designed to provide landlords with a minimum set of guidelines in the administration of rental property. It rejected some proposals, for example rent control, while also revising and accepting others.

To provide a minimum, balanced standard of behavior for landlords to reference in renting residential property, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS ESTABLISHING LANDLORD OBLIGATIONS INCLUDING:

1. FULL DISCLOSURE BY LANDLORDS IN WRITING OF THE NAME AND ADDRESS OF THE UNIT MANAGER AND OWNER OR HIS AGENT.
2. THE MAINTENANCE OF A FIT RENTAL UNIT BY THE LANDLORD IN COMPLIANCE WITH LOCAL CODES.
3. THE AMOUNT AND RETURN OF SECURITY DEPOSITS.

Security Deposits Comment:

One component of many Virginia residential leases on which numerous comments were made at Study Commission public hearings was security deposits. Comments included concern with the amount of such required deposits, whether

landlords should pay interest on security deposits, the timely return of security deposits, and the absence of procedures for landlords to itemize deductions from security deposits.

Arlington County was granted the power to prepare an ordinance covering many of these areas of concern by the 1973 General Assembly (H 1198).

The sentiment of the Study Commission is that consistency is appropriate on a statewide basis for any legislation governing security deposits.

While the Commission is aware that very few rental unit agents or owners abuse the present ad hoc security deposit traditions, the Commission also feels that landlord and tenant misunderstandings can be reduced if formal rules governing security deposits are promulgated by the General Assembly. For that reason, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS COVERING SECURITY DEPOSITS TO INCLUDE:

1. INTEREST PAYMENT AT 3% BY LANDLORDS ON ALL SECURITY DEPOSITS.
2. MANDATORY ITEMIZATION OF ANY CHARGES AGAINST SECURITY DEPOSITS WHEN RETURNED BY LANDLORDS.
3. MANDATORY RETURN OF SECURITY DEPOSITS WITHIN FORTY-FIVE (45) DAYS OF LEASE TERMINATION.
4. ALLOWING LANDLORDS TO CHARGE A MAXIMUM OF TWO MONTHS RENT AS SECURITY DEPOSIT.
5. MANDATORY PRIOR NOTIFICATION TO TENANTS BY LANDLORDS OF ALL INSPECTION DATES.
6. MAINTENANCE OF RECORDS FOR FIVE (5) YEARS BY LANDLORDS ITEMIZING ALL DEDUCTIONS AGAINST SECURITY DEPOSITS.

Tenant Obligations to the Landlord

Testimony at the Commission's public hearings indicated that tenants have widely varying views regarding their obligations in the rental process. Tenants frequently feel that leases tend to be landlord oriented, specifying many obligations for tenants and few for landlords.

Areas of controversy regarding tenant obligations in the residential rental process included the extent to which tenants are responsible to maintain their unit, the types of rules or regulations that landlords may promulgate and the ability of tenants to deny access to landlords.

In order to provide a minimum standard for tenant behavior in the residential rental process, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS ESTABLISHING TENANT OBLIGATIONS INCLUDING:

1. THE MAINTENANCE OF A CLEAN AND ORDERLY DWELLING.
2. ACQUIESCENCE TO LANDLORD RULES WHEN THEY ARE CLEARLY EXPLAINED, UNIFORMLY APPLIED AND DESIGNED TO PROTECT LANDLORDS' PROPERTY FROM ABUSE.
3. LANDLORD ACCESS IN EMERGENCIES OR ONLY UPON PRIOR NOTIFICATION.

Tenant Remedies to Unlawful Landlord Actions

There were numerous proposals put forward at public hearings to provide tenants with the means to encourage landlord compliance with rental agreements and to protect the safety, life and health of tenants.

It is the sentiment of the Commission that most landlords do seek to treat tenants equitably. However, the Commission is aware, based on public hearing comments, that some legislative changes are needed to enable all tenants to receive equal treatment from landlords.

Therefore, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS ESTABLISHING TENANT REMEDIES TO UNLAWFUL LANDLORD ACTION.

Rent Escrow

One area of landlord-tenant relations frequently noted at public hearings was the need for some landlords to respond more quickly to deficiencies in leased property which constitute a peril to the health, safety or life of tenants.

Testimony indicated that most landlords do respond quickly and effectively to tenant complaints regarding seriously defective housing. At the same time, the Commission seeks to ensure that tenants are provided with the means of redressing specific failures by landlords to remedy serious defects in their housing. The most effective technique presented at public hearings is based on the "rent escrow" concept - a concept designed to encourage landlords to respond to tenant complaints regarding serious threats to their health, life or safety without coercion by a public agency or recourse to the courts.

Therefore, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT OF RENT ESCROW PROVISIONS DESIGNED TO PROTECT THE LIFE, SAFETY AND HEALTH OF TENANTS EVERYWHERE IN THE COMMONWEALTH.

The proposed ordinance contains the following salient features:

1. Tenants may apply for establishment of an escrow account as defense against complaint by landlords for rent non-payment if:
 - a. A threat to life, safety or health is alleged to exist, and
 - b. The tenant notified the landlord of the alleged threat to tenant life, safety or health prior to the landlord's action for non-payment of rent.
2. Tenants may apply for establishment of an escrow account alleging property maintenance or code violation or the existence of conditions constituting a threat to the life, health or safety of the tenant. Tenants must give landlords thirty (30) days to remove the alleged threat to tenant life, safety or health before bringing action to establish an escrow account. If an escrow account is then established by the local court, it may be used to remove the threat to tenant life, safety and health if so directed by the court after a mandatory public hearing before all parties.
3. Under both (1) and (2), an escrow account may not be established by the courts if:
 - a. The threat to tenant life, safety and health does not exist, or
 - b. Such a threat is caused by the tenant, his family or guests, or
 - c. The tenant has refused entry to the landlord intent on removing the threat to the tenant's life, safety or health.

Landlord Remedies to Unlawful Tenant Action

Representatives of some rental unit owners expressed concern at the Commission's public hearings with landlords' occasional inability to readily reacquire residential property or to collect overdue rent.

Similarly, some tenants expressed concern that landlords are arbitrary in requiring repairs by tenants, in entering dwellings when tenants are absent for long periods, in requesting liens against tenants' household goods for rent nonpayment and in terminating leases.

To provide landlords with clear guidelines in dealing with tenant violations of the Uniform Landlord and Tenant Act or leases, the Commission

RECOMMENDS:

INCLUSION IN THE UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS ESTABLISHING LANDLORD REMEDIES TO UNLAWFUL TENANT ACTIONS.

Retaliatory Action

The Commission feels that retaliatory actions by landlords in the form of eviction or rent hikes should be illegal in certain specific circumstances.

While there is little evidence of widespread retaliatory actions by landlords, such actions have been consistently reported in those scattered localities with tenant-landlord commissions. In addition, the Commission feels that the threat of retaliatory action for specific tenant actions should be eliminated in order to insure that tenants will feel unencumbered in making complaints to landlords.

The Commission,

RECOMMENDS:

INCLUSION IN THE UNIFORM STATEWIDE RESIDENTIAL LANDLORD AND TENANT ACT OF PROVISIONS PROHIBITING ACTIONS OF RENT HIKES OR EVICTIONS IN RETALIATION AFTER:

1. TENANTS HAVE FILED A COMPLAINT WITH A PUBLIC AGENCY AGAINST THE LANDLORD,
2. TENANTS HAVE COMPLAINED TO OR FILED SUIT AGAINST THE LANDLORD FOR FAILURE TO MAINTAIN FIT PREMISES, AND
3. TENANTS HAVE ORGANIZED OR JOINED A TENANTS' ORGANIZATION.

RENT INCREASES APPLICABLE TO ALL TENANTS IN SIMILAR DWELLINGS ARE NOT SUBJECT TO THESE PROVISIONS.

DEPARTMENT OF HOUSING AND STRUCTURES

Unlike many of the other eleven offices within the Division of State Planning and Community Affairs, the Office of Housing frequently functions as a vehicle enabling individuals to obtain assistance under the various Federal programs. Its planning activities and its assistance to local governments and other public entities are not of the same significance relative to the role assigned these functions by other offices within the Division. In addition, the efficiency and speed with which the Office of Housing can respond to the demands of individuals and various State agencies is potentially endangered by an unnecessary bureaucratic layer atop the office.

If the Commonwealth is to attempt meaningfully to satisfy the State Housing Goal of "the Opportunity for Safe, Decent and Sanitary Housing, in an Environment Conducive to Pleasant Living for Every Virginian", the Commonwealth must provide the means to achieve this Goal.

The Commission, therefore,

RECOMMENDS:

THAT THE STATE OFFICE OF HOUSING BE ESTABLISHED AS AN
INDEPENDENT DEPARTMENT OF HOUSING AND STRUCTURES IN ORDER
TO PROVIDE RESPONSIVE, EFFICIENT, COORDINATED STATE HOUSING
PROGRAMS.

SALE OF RESIDENTIAL PROPERTY ON CONTRACT

In several instances at public hearings over the past three years, it was brought to the attention of the Commission that some abuse may occur in the sale of homes on-contract. This concept involves the sale of low-income and vacation housing, under an agreement whereby the purchaser agrees to make specific payments monthly until the purchase price is paid. Title to the property is usually not transferred until the total price is paid.

In some cases prior to full payment, testimony was presented that agreements are fraudulently voided by the house seller on-contract and the property resold. While the concept of contract sales is not illegal, it is subject to apparent abuse. To eliminate some possibility of abuse in the sale of residential property on-contract, the Commission,

RECOMMENDS:

LEGISLATION BE ENACTED REQUIRING THE RECORDATION OF SUCH CONTRACTS OF SALE WHICH INVOLVE IMPROVED RESIDENTIAL REAL PROPERTY.

EDUCATION FACILITY CONSTRUCTION CODE

The Commission received conflicting public hearing testimony regarding the appropriateness of requiring that local school buildings be constructed in accordance with provisions of the Uniform Virginia Building Code.

The Commission has not been presented with any evidence that the Virginia Code imposes needlessly rigorous safety structural requirements for school buildings or that it needlessly increases the cost of such construction. Therefore, subject to further study the Commission:

REAFFIRMS ITS POSITION, BASED ON PUBLIC HEARING TESTIMONY AND BUILDING OFFICIALS' COMMENTS, THAT EDUCATION FACILITIES SHOULD CONTINUE TO BE CONSTRUCTED UTILIZING PROVISIONS OF THE UNIFORM VIRGINIA BUILDING CODE.

MEMBERSHIP QUALIFICATIONS
FOR LOCAL PLANNING COMMISSIONS

It was brought several times to the Commission's attention at public hearings that only individuals who are freeholders may legally serve their community through membership on its planning commission (Code Sec. 15.1-437). For example, apartment dwellers who own property through a corporation or partnership may not legally serve on local planning commissions.

It is the sentiment of the Commission that real property ownership is not related to one's ability to effectively serve as a member of a local planning commission, and that this qualification imposes unnecessary constraints on the effective operation of local planning commissions.

Therefore, the Commission

RECOMMENDS:

THAT SECTION 15.1-437 OF THE CODE OF VIRGINIA BE AMENDED
AND REENACTED TO REMOVE THE QUALIFICATION THAT ALL MEMBERS
OF LOCAL PLANNING COMMISSIONS MUST BE FREEHOLDERS.

REGISTERED AGENTS FOR RENTAL DWELLINGS

Legislation (S 712) passed by the 1973 General Assembly Session and signed into law on March 15, 1973, requires nonresident property owners of 4 units or more in Virginia to appoint an agent who is a resident and maintains a business office within the Commonwealth.

Testimony presented at public hearings conducted by the Study Commission questioned the specific exclusion from this Act of nonresident property owners of less than 4 units. In order to bring all nonresident property owners under the purview of this legislation, it is the sentiment of the Study Commission that nonresident property owners of one or more units in Virginia be required to appoint a registered agent who is a resident of Virginia and who maintains a business office within the State.

The Commission therefore,

RECOMMENDS:

SECTION 55-218.1 OF THE CODE OF VIRGINIA BE AMENDED TO REQUIRE THAT ANY INDIVIDUAL NONRESIDENT LANDLORD WHO OWNS AT LEAST ONE RENTAL UNIT MUST CONTINUOUSLY MAINTAIN A REGISTERED AGENT WHO IS A RESIDENT OF VIRGINIA.

INFORMATION PROGRAM ON TENANCY AND
HOME OWNERSHIP

The residential property transfer process and the residential rental process are fraught with confusion, fear and vulnerability for novice and even some experienced dwelling purchasers or renters. The vocabulary, laws, procedures and forms are only dimly understood and little guidance is provided by property sellers or rental agents. Misconceptions or misunderstandings can lead to resentment and inappropriate criticism by dwelling purchasers or renters of property sellers and landlords. The Commission's public hearings were replete with testimony of this nature.

It is the sentiment of the Commission that a public effort is appropriate and necessary to inform home purchasers and renters of their legal rights and obligations.

Therefore, the Commission

HAS DIRECTED THE STATE BOARD OF HOUSING TO
DEVELOP AND IMPLEMENT A PROGRAM OF PUBLIC
EDUCATION IN TENANCY, HOME OWNERSHIP AND HOME
PURCHASE.

MODEL HOUSING - PROPERTY MAINTENANCE CODE

The Study Commission repeatedly heard comments at its public hearings regarding the desirability of property maintenance codes to ensure that quality housing is available for renters.

By unanimous vote, the Commission

RECOMMENDS:

THAT THE STATE BOARD OF HOUSING PREPARE AND PROMULGATE A MODEL BASIC HOUSING-PROPERTY MAINTENANCE CODE FOR VOLUNTARY USE BY ANY LOCALITY ELECTING TO ADOPT A PROPERTY MAINTENANCE CODE.

This voluntary model property maintenance code should include additional provisions similar to current Portsmouth City ordinances relating to the registration of vacant buildings and the inspection and certification of all vacant rental units for conformance with a property maintenance code. Copies of these two ordinances are presented as an appendix to this Report.

COLLEGE AND UNIVERSITY STUDENT HOUSING

As college and university enrollments continue to grow in Virginia, and inflation pushes all housing costs up, many students have difficulty in finding adequate, inexpensive housing.

The major universities in Virginia differ in the quality and quantity of on-campus student housing, but inadequate on-campus housing in almost every college community is forcing some students to seek private accommodations. As a relatively immobile, low income, transient class of tenants, students are often in a poor bargaining position with rental property owners in these communities.

Reaction to the apparent need for additional student housing is varied; several schools are planning dormitory construction. At other institutions, students and administrators are re-examining their off-campus housing services; while some schools are seeking temporary housing for students who arrive without firm housing plans. In addition, a few community colleges are experiencing a need to re-evaluate their position of not providing housing services. Because of varied curricula and large catchment areas, some community college students are finding it difficult to commute daily from home and may prefer to live nearer to campus.

Based on testimony at the public hearings and subsequent staff research, it is the sentiment of the Commission that the area of student housing at Virginia's colleges and universities warrants a thorough investigation.

The Commission, therefore, recommends:

THAT THE COMMISSION BE DIRECTED TO STUDY AND MAKE
RECOMMENDATIONS ON WAYS TO ALLEVIATE THE SPECIAL
HOUSING PROBLEMS OF COLLEGE AND UNIVERSITY STUDENTS
IN VIRGINIA.

NEW COMMUNITIES

Some testimony presented at the Commission's public hearings emphasized the limited supply of housing sites in urban areas of the Commonwealth. This scarcity is aggravated by local sewer, water and zoning conditions.

It is the sentiment of the Commission that the Commonwealth must now begin to examine alternative solutions to the growing scarcity of housing sites near existing urban commercial districts. One of the proposals often made is the creation of entirely new communities, such as Reston, which are based on principles of planning that were non-existent or unnecessary when the existing metropolitan areas were established.

Increasing population and urbanization are marked trends in Virginia; problems in land availability, sewage treatment capacity, provision of local services and congested traffic arteries will continue to be aggravated, and only a reversal of this concentration trend can ultimately bring relief. The Commission, therefore,

RECOMMENDS:

THAT THE COMMISSION BE DIRECTED TO INVESTIGATE THE
NEW COMMUNITY ALTERNATIVE TO EXISTING HOUSING PATTERNS.

CONTINUATION OF THE HOUSING STUDY COMMISSION

The General Assembly charged the Commission in 1970 to study and report its recommendations on the ways and means to provide all Virginians with adequate housing. This charge included study of factors affecting the home building industry and impediments to the application of new housing concepts.

In a series of public hearings held thereafter, the Commission received repeated testimony regarding the status of landlord-tenant relations in the Commonwealth, the condition of rental housing and the limited supply of housing for families displaced by public action.

As a result, in 1972, the General Assembly revised its earlier charge to the Commission to include study on the status of rental housing, landlord-tenant relations and housing for displaced persons, with recommendations thereon. Voluminous testimony presented at the subsequent series of public hearings in 1972 and 1973 was largely devoted to the inadequacy of landlord-tenant relations and some rental housing in the Commonwealth. Recommendations by the Commission contained in the Report reflect much of this testimony. However, the Commission became increasingly alarmed as a result of repetitive public hearing testimony regarding the sharply rising constraints to the supply of new housing posed by political, legal and environmental factors. These constraints have appeared relatively recently and are of direct significance to all Virginians. In addition, the Commission is aware that a thorough examination of these phenomena will require additions to the Commission membership.

Therefore, in order to fulfill the general charge made by the General Assembly in both 1970 and 1972, that the Commission shall "... examine all relevant provisions of the laws of this State to determine whether or not existing laws are adequate to meet the present and future housing needs of all income levels in this State and shall recommend such changes in such laws as it shall deem appropriate," the Commission

RECOMMENDS:

1. CONTINUATION OF THE HOUSING STUDY COMMISSION FOR TWO YEARS WITH A FINAL REPORT TO BE SUBMITTED TO THE GOVERNOR AND GENERAL ASSEMBLY BY NOVEMBER 1, 1975. THE COMMISSION SHALL CONSIDER, BUT NOT BE LIMITED TO, THE FOLLOWING MATTERS: THE SUPPLY OF HOUSING FOR COLLEGE STUDENTS AND FOR PERSONS AND FAMILIES DISPLACED BY PUBLIC ACTION; THE ELIMINATION OF POLITICAL, LEGAL AND ENVIRONMENTAL CONSTRAINTS TO INCREASES IN THE SUPPLY OF HOUSING; AND THE NEW COMMUNITY ALTERNATIVE.
2. ENLARGEMENT OF THE HOUSING STUDY COMMISSION WITH THE ADDITION OF TWO (2) MEMBERS TO BE APPOINTED BY THE GOVERNOR, TWO (2) MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES FROM THE MEMBERSHIP THEREOF AND TWO (2) MEMBERS TO BE APPOINTED BY THE PRESIDENT OF THE SENATE FROM THE MEMBERSHIP THEREOF.

AREAS OF FUTURE RESEARCH

Testimony at the Commission's public hearings of the past three years has ranged widely. There have been many housing-related subjects discussed which, in the Commission's collective opinion, are in need of extensive study.

The Commission, therefore

RECOMMENDS:

1. THAT THE COMMISSION REVIEW AND PREPARE A PAMPHLET ON LANDLORD-TENANT LAWS FOR THE USE AND INFORMATION OF TENANTS.
2. THAT THE COMMISSION EXAMINE STATE LAWS REGARDING EMINENT DOMAIN AS THEY RELATE TO HOUSING.
3. THAT THE COMMISSION INVESTIGATE THE EXTENT AND NATURE OF HOME IMPROVEMENT LAWS IN THE VIRGINIA CODE.
4. THAT THE COMMISSION INVESTIGATE THE RESPONSIBILITIES OF LAND-OWNERS WITH RESPECT TO ABANDONED PROPERTY.
5. THAT THE COMMISSION CONDUCT AN INTENSIVE FURTHER INVESTIGATION OF PROBLEMS IN THE TRANSFER OF REAL PROPERTY.

MODERNIZATION OF REAL PROPERTY TRANSFERS

In 1972, the Commission's subcommittee on Problems in the Transfer of Real Property submitted a report to the Commission as directed in Senate Joint Resolution Number 49. The full text of this report, including a majority concurring and minority dissenting addendum, was presented as Appendix II of the Commission's Interim Report of last November to the Governor and the General Assembly.

The obvious need to eliminate inefficiencies in the transfer of real property was originally brought to the Commission's attention by attorneys and other professionals involved in such transfers. The major area of concern was the use of antiquated methods to record and to transfer property ownership. These methods unduly increase the cost of transferring real property ownership, and the Commission recognizes that these inefficiencies will grow more rapidly than per capita incomes or population in Virginia.

The Commission and its subcommittee on Problems in the Transfer of Real Property did not have appropriated funds to extensively investigate alternative methods to improve the efficiency of property transfers. It is impossible for the Commission, as a result, to do more than make the very obvious recommendations presented below to modernize the property transfer process.

In addition, however, in view of the obvious need for substantial modernization of the property transfer process, the Commission urges implementation of a pilot study program to evaluate various modernization techniques. In this way, the Governor, the General Assembly and Virginia municipalities can determine the most effective and efficient methods to modernize the transfer of real property with a minimum of experimentation.

The Commission, therefore,

RECOMMENDS:

1. THAT EVIDENCE OF A TITLE MUST BE FILED BY THE DEVELOPER OF A SUBDIVISION AT THE TIME OF RECORDATION OF THE SUBDIVISION PLAT.
2. THAT NO DEED SHALL BE RECORDED UNLESS IT CONTAINS A DERIVATIVE CLAUSE.
3. THAT CLERKS OF COURT BE DIRECTED TO INDEX MAGISTERIAL DISTRICT, AS WELL AS LOT AND BLOCK NUMBERS, OF PROPERTY IN SUBDIVISIONS WHERE PLATS ARE OF RECORD.
4. THAT THE GENERAL ASSEMBLY APPROPRIATE THE SUM OF TEN THOUSAND DOLLARS (\$10,000) FOR A PILOT STUDY BY THE COMMISSION OF ALTERNATIVE METHODS TO MODERNIZE REAL PROPERTY TRANSFERS.

CONCLUSION

Unavailable, high cost housing is one of the most serious problems facing Virginia today. Matching this problem in intensity for renters and landlords is the unsatisfactory status of landlord-tenant relations; minimum landlord and tenant obligations and rights must be specified if these relations are to improve.

The Commission has made a number of recommendations designed to rectify inequities, reduce housing costs and to clarify and inform property owners, renters, sellers and buyers of their rights and obligations. The Commission, also, has recommended that it be continued for two additional years in order to seek insights and solutions to phenomena, including legal, political and environmental problems, which may restrict the future growth in the supply of Virginia's housing.

Appendix

Portsmouth Ordinances

Certificate of Compliance and Vacant Building Law

Portsmouth City Ordinances: Certificate of
Compliance and Vacant Building Law

(Division 2. Certificate of Compliance for Rental Dwellings.)

(Section 4-61.5 Inspection and Certificate Required.)

No owner, agent or person in charge of a dwelling or dwelling unit shall allow any person to occupy the same as a tenant or lessee or for a valuable consideration unless said dwelling or dwelling unit shall have been inspected immediately prior to occupancy and shall have been determined to be in compliance with the provisions of (local property maintenance code) as adopted by reference in Section () of this Code. Such compliance shall be evidenced by a Certificate of Compliance issued by the director of public health, provided however, no such inspection shall be required within 90 days of the date of the last Certificate of Compliance issued upon an initial inspection but not a reinspection.

Furthermore, no electric power company shall commence individual service to a dwelling unit unless it has determined that a valid and effective Certificate of Compliance has been issued therefore as hereinafter required or that a waiver as permitted by Section 4-61.8 has been granted.

(Section 4-61.6 Issuance of Certificates.)

Upon the request of the owner, agent or other person authorized to rent a dwelling or dwelling unit (hereinafter referred to as applicant), the local official shall promptly inspect such dwelling or dwelling unit. If such inspection establishes that the dwelling or dwelling unit complies with all of the provisions of said (local property maintenance code), there shall be issued a Certificate of Compliance for said dwelling or dwelling unit, indicating thereon the maximum number of occupants who may lawfully occupy it under the provisions of said Housing Code. One copy of such certificate shall be given to the applicant and a second copy shall be posted by the inspector on the inside of the main entrance door of the certified premises or in a conspicuous place nearby and shall not be removed by or at the direction of anyone other than the tenant.

(Section 4-61.7 Reinspection.)

If said dwelling or dwelling unit fails to comply with the provisions of said (local property maintenance code), the inspector shall furnish the applicant with a written list of specific violations. Failure to list any violation shall not be construed as a waiver of such violation. Upon the representation of the applicant that the listed violations have been corrected, said dwelling or dwelling unit shall be promptly reinspected.

(Section 4-61.8 Waivers.)

Any applicant who is delayed in correcting violations necessary to entitle him to a Certificate of Compliance and who has a valid contract in writing with a qualified person for the performance of work and the furnishing of the materials to correct such violations may petition the director in writing for a temporary waiver of compliance. The petition shall be on a form provided by the locality and shall contain the information therein requested and reasonably necessary to its decision, and shall include a written and signed statement by the person under contract to correct the violation, specifying the anticipated date of beginning and completion of the work. If the director shall find that (1) the delay in the correction of the violation is reasonable, taking into consideration the availability of qualified persons to do the work and the current work load; and (2) the work can reasonably be undertaken and completed while the premises are occupied or that appropriate provision has been made for housing the tenant elsewhere during the necessary period when the dwelling or dwelling unit will not be habitable because of the work of correcting the violation; the (local official) shall issue a temporary waiver of compliance expiring on the date when the corrective work should be completed. Applicant shall, on or before said date, request a reinspection and pay the reinspection fee.

(Section 4-61.9 Appeals.)

Any applicant who deems himself aggrieved by a decision of the (local official) may appeal such decision within 15 days of receipt thereof in writing to the housing board of adjustments and appeals. If necessary, special meetings shall be called by the chairman of said board in order that such appeals may be promptly decided.

(Section 4-61.10 Inspection Fee.)

The applicant shall pay a fee of \$5.00 for the first inspection and a fee of \$7.50 for each reinspection of a dwelling unit.

(Article V. Vacant or Unoccupied Buildings.)

(Section 4-73. Closure of Vacant or Unoccupied Buildings.)

The owner of any building shall, whenever the same becomes vacant or unoccupied, removed therefrom all paper or other combustible waste material accumulated therein, and shall securely close and keep closed all doors, windows, or other openings into such building while the same remains unoccupied and shall maintain the building and premises in a clean, sanitary and safe condition so as not to constitute a nuisance.

(Section 4-74 Vacant or Unoccupied Buildings that Need to be Registered.)

Whenever any building in the City is or hereafter becomes vacant or unoccupied and such building or any of its doors, windows or other openings cannot be securely closed by the conventional methods used in the design of the building as required by Section 4-73 herein, the owner thereof shall forthwith secure said building against entry by boarding up or by some other approved method, shall promptly register said building with the building official for the period of time such building is to remain vacant or unoccupied and shall pay the required fee as set forth in Section 4-77; provided that no registration shall be required of any building for 90 days from the date of damage occurring due to acts of God, fire, riot or accident where such building has been promptly boarded up or otherwise secured to safeguard the building; provided further that no registration shall be required of any building for 90 days from the date of vacancy if such building must be boarded up to prevent vandalism or other criminal entry even though said conventional methods of securing same are available and operable.

(Section 4-75 Registration Forms.)

Registration shall be made on forms supplied by the building official for such purpose and shall include the names and addresses of all persons having any interest in the premises, the name and address of the person who shall be responsible for compliance with this section, the facts and conditions of such vacancy, the date the said building became vacant and the length of time the building is expected to remain vacant or unoccupied.

(Section 4-76 New Registration Required After Expiration Time.)

Whenever any such vacancy continues for a longer period of time than that for which registered, a new registration shall be required. No registration shall be assignable. If the names or addresses of any of the persons required as part of the registration statement are changed, a new registration statement shall be made within ten days from the date of said change, in the same manner and form as herein prescribed. If any such new registration is not made within the time set forth in this code, then the fee to be paid shall be double the amount of the fee required by this code for the period of time that the registration is found to be improper.

(Section 4-77 Fee Schedule for Vacant and/or Unoccupied Buildings.)

The fee for each month or fraction thereof for which such vacant or unoccupied building is registered shall be as herein set forth:

Single Family or Two Family Dwellings - \$20.00 per month
Multiple Family Apartment Dwellings - \$20.00 per month plus
\$3.00 per month for each additional apartment above two.
Rooming Houses, Boarding Houses, Dormitories, Fraternity and
Sorority Houses - \$20.00 per month plus \$3.00 per month
for each additional bedroom above two.

All other classes of buildings whether institutional, commercial, industrial, shall be \$20.00 per month for the first gross 1000 square feet and \$3.00 per month for each additional gross 1000 square feet or fraction thereof.

(Section 4-78 Owner Responsibility.)

Any "owner" as defined in Section (of the local property maintenance code) shall have a joint and several responsibility for compliance with Sections 4-73 through Section 4-79.

Failure of the owner to comply with the foregoing provisions shall constitute a violation of this ordinance.

(Section 4-79 Inspection of Registered Vacant and/or Unoccupied Buildings.)

Upon registration of any such building or upon any such building coming to his attention, the (local official) shall cause inspection to be made of the premises to determine the condition of such building and premises and to determine whether there exists any fire, safety or health hazards.



Alan A. Diamonstein, Chairman
House of Delegates



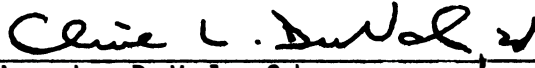
Tiffany H. Armstrong



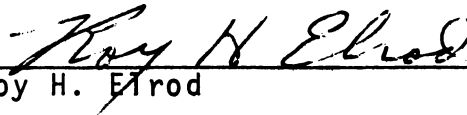
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Senate



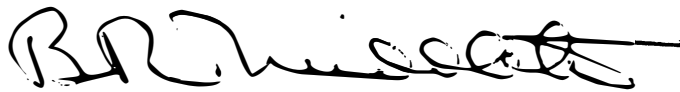
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