



2023-2024 LEGISLATIVE AGENDA

THE NORTHERN VIRGINIA ASSOCIATION OF REALTORS®

REALTOR® ADVOCACY MATTERS

The Northern Virginia Association of REALTORS® (NVAR) ensures our members' voices are heard as decisions are made about the laws and regulations that shape our industry.

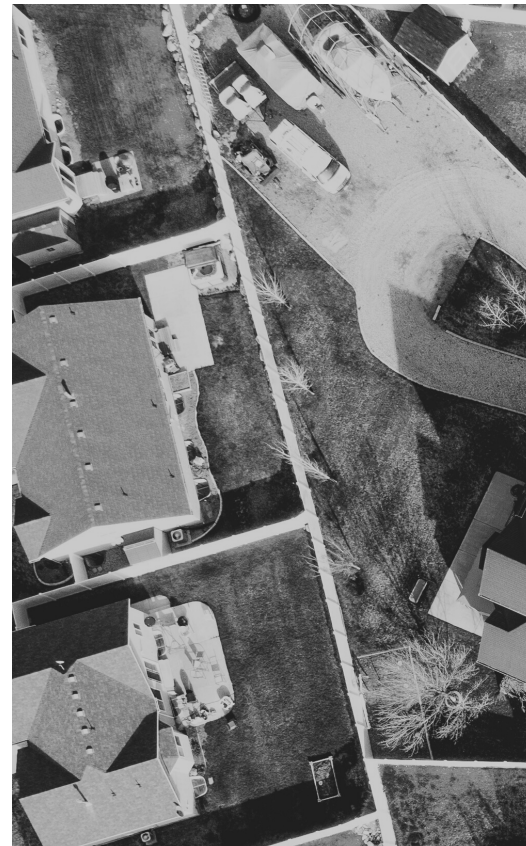
Through direct and indirect lobbying, grassroots advocacy and of course the REALTORS® Political Action Committee (RPAC), NVAR impacts government decision making at all levels across Northern Virginia, ensuring that the interests of Northern Virginia REALTORS® are known to lawmakers from City Council to Capitol Hill.

NVAR collaborates with the Virginia REALTORS® to advocate in Richmond and with the National Association of Realtors®, located steps away from the United States Capitol.

Together, we also advocate on behalf of the consumers—representing the interests of homebuyers, sellers, and renters, and the commercial tenants who are directly and indirectly impacted by changes in laws and regulations on zoning, housing, communities, infrastructure, taxes and all of the issues that make up the portfolio of the REALTOR Party.

At our core, we strive to strengthen the opportunity for Americans to own, buy and sell real property.

Each year, NVAR compiles legislative and regulatory policy goals and proposals for the coming year. This 2023-2024 NVAR Legislative Agenda is the result of months of meetings and feedback taken directly from **NVAR's 13,000 members**. It has been vetted and approved by the NVAR Public Policy Committee and the NVAR Board of Directors.





HOUSING SUPPLY, ATTAINABILITY AND AFFORDABILITY

REALTORS® strive to ensure all Americans have the opportunity to achieve homeownership, which is the centerpiece of the American Dream and the pathway to economic well-being and intergenerational wealth building. However, an historic 50-year record shortage of homes available for purchase has severely limited access to the residential real estate market.

A recent National Association of REALTORS® (NAR) study estimates that the U.S. has developed an “underbuilding gap” of at least 5.5 million housing units over the last 20 years. This translates into a more than \$4 trillion underinvestment in housing. Even relatively modest steps taken now to reduce this gap will unleash tremendous economic activity and create millions of new jobs.

The Northern Virginia Association of REALTORS® (NVAR) supports efforts to increase the supply of housing affordable to all income levels as we look to fill housing needs across the region. NVAR is committed to the development and preservation of diverse housing stock and to preserving the dream of homeownership for the greatest number of people possible.



“Homeownership unlocks generational wealth yet is unattainable for many. We must prioritize affordable and attainable housing, boost housing supply, and acknowledge that while there is no universal solution, inaction is not a choice we can afford to make.”

Miranda Carter, Vice Chair, Public Policy Committee

LOCAL ADVOCACY PRIORITIES

COMPREHENSIVE HOUSING PLANS AND MIXED-USE DEVELOPMENT:

NVAR recommends comprehensive zoning changes and incentives that facilitate the voluntary market-driven production of a wide range of housing choices at all price levels to suit our diverse population, including encouraging mixed-use development.

It is essential that comprehensive plans provide for the development of owner-occupied housing, to meet existing and forecasted housing demand without unreasonable zoning and land use restrictions that lead to increased costs for housing. Updating zoning ordinances and maps to encourage mixed use with higher residential density in existing commercial areas can provide new home ownership opportunities without affecting existing residential neighborhoods.

COMMERCIAL TO RESIDENTIAL CONVERSIONS:

Pandemic-related changes in commuting patterns and office use have led to widespread office vacancies and the call for “adaptive reuse” or office to residential conversions. With the U.S. in the midst of a housing crunch—and home affordability at historical lows—both commercial real estate developers and public officials are looking for solutions. Converting underused commercial space into multifamily housing is one potential approach that has many supporters, but it is not suitable for all commercial locations.

Financial and environmental questions surround all conversion opportunities, but zoning is often the biggest hurdle for adaptive reuse. **NVAR recommends local governments identify barriers in local zoning ordinances that impede commercial, industrial and office -to-residential conversions and how to amend the ordinance to not only allow, but to incentivize conversions.**

ELIMINATING BARRIERS TO ACCESSORY DWELLING/LIVING UNITS:

Accessory dwelling or living units can provide a significant benefit by increasing density, often without the need for major zoning changes, and with a more limited amount of construction activity in residential communities. For these programs to be successful, it is important for accessory dwelling laws to focus on removing cost and time barriers.

Northern Virginia localities have made significant progress in recent years in allowing accessory units, but more work is needed to truly realize the potential of accessory dwellings as a housing supply solution.

NVAR recommends local governments enact mechanisms to streamline and expedite the permitting process; remove minimum lot size restrictions for both attached and detached accessory dwellings and reduce setback and lot coverage restrictions applicable to accessory dwelling units.

REDUCE REQUIREMENTS ON LOT SIZES, PARKING AND SETBACKS:

Perhaps the largest barrier to creating housing that is affordable and attainable, is the fact that we live in Northern Virginia, and under all our homes is land that is extremely valuable. Across the region, our localities require residential properties to be built on a minimum-sized lot, and within that lot, structures must be located or “set back” certain minimum distances from lot lines. This varies by locality and zoning district, but the lot sizes and setbacks can be significant. Localities also include minimum parking requirements, whether it is off-street parking in single-family zoned areas, or parking structures for condo and apartment buildings. These policies may represent major barriers to housing density and the production of attainable, affordable and accessible housing. Minimum lot sizes often require homebuyers to purchase more land than they need which lowers density and increases the costs of housing. This is especially true in cases where lot sizes may be significantly larger than are necessary, or near areas where increased density would be beneficial, such as retail or transit corridors. If setback requirements are too large, then the remaining buildable land may be too small for certain types of housing or for the placement of accessory units. Parking costs money to provide and requires substantial lot coverage (often not permeable) which could be more beneficial for housing or as green space.

NVAR recommends local governments reexamine each of these policies (Setbacks, Lot Coverage, Minimum Lot Size, Parking Minimums) and make reasonable adjustments to ensure they allow for adequate density in the hope of producing a greater supply of housing that works within each community.



STATE ADVOCACY PRIORITIES

INCENTIVIZE OWNERS TO SELL THEIR HOMES:

Recent tax law changes and home price inflation has eroded the value of federal tax incentives for individuals selling their homes, especially for older homeowners who have lived in their home for 20 years or more. Many of these homeowners who are considering downsizing or moving to a retirement facility are facing gains well in excess of current exclusions, which can leave them owing many thousands of dollars in tax and reduces their ability to afford their new home. Couple that with higher interest rates than we have seen in the past decade, and we are faced with many homeowners making a decision not to sell their home.

Additionally, some 10 million owner-occupied homes were purchased by investors of all types and sizes and converted to rentals in the wake of the housing crisis of 2008, significantly lowering the supply of homes available for purchase. These investor-owners are also getting older and are interested in exiting the housing provider space, but again are limited by the tax implications of selling an investment property.

New Virginia tax incentives (housing tax credit, recordation tax exemption, etc) aimed at unlocking a segment of inventory previously unavailable to prospective buyers would help to unlock housing inventory desperately needed for those who want to live and work in our Commonwealth.

NVAR recommends creating a tax incentive for landlords who sell their investment property to the current tenants renting the property. This incentive would prevent displacement while incentivizing owners to sell to mostly first-time homebuyers.

NVAR also recommends providing incentives to individuals who sell their principal residence to buyers who will utilize the home as a principal residence. This incentive would preserve owner-occupied housing stock and prevent institutional investors from scooping up all of the available housing.

PREFUNDED VETERAN PROPERTY TAX EXEMPTION:

Under the Virginia Constitution, for any dwelling that is the principal residence of a Veteran with a 100% service-connected, permanent and total disability, the surviving spouse of such veterans, or the surviving spouse of any member of the United States armed forces who was killed in action, is eligible for a property tax exemption. Currently, disabled veterans and their spouse cannot apply for their exemption until after they own the home. Because they are not exempt during the underwriting process, taxes have to be counted against them when qualifying for their mortgage. Thousands of dollars are collected at closing to pay tax bills that will simply be refunded at a later date.

HOUSING SUPPLY, ATTAINABILITY AND AFFORDABILITY



NVAR supports legislation to allow disabled veterans and surviving spouses to apply for the real estate tax exemption after going under contract, but prior to taking ownership and getting to the closing table. This change will increase the buying power of disabled veterans and surviving spouse by tens of thousands of dollars.

STATEWIDE ACCESSORY DWELLING DEVELOPMENT:

Recent nationwide trends have shown that allowing accessory dwelling units is an achievable first step for increasing market-rate affordable housing options within traditional single-family neighborhoods. Accessory dwellings are an attractive option to expand attainable housing options within existing neighborhoods predominantly characterized by single-family dwellings, as well as to stabilize neighborhoods where an increase in equity and income for homeowners can ease potential displacement pressures. This is because accessory units in most localities can be rented out as an additional source of income. They are generally more affordable than other forms of housing because they are smaller and can be built relatively quickly without the same expense as other housing forms. Local regulations and community resistance (NIMBYism) significantly hinder the construction of accessory dwellings, and construction financing can also be a barrier, particularly since many lenders do not view accessory dwellings as a formal housing unit.

Without guidance from the General Assembly, localities are left to implement varying ordinances that confuse homeowners, home buyers and developers and suppress the access and availability of accessory dwellings. Without action by the General Assembly, action is left to local elected officials who are limited in their actions by the vocal minority of residents who do not support any development in single-family neighborhoods.

NVAR recommends statewide enabling legislation which permits the by-right development of an accessory dwelling unit located within any single-family dwelling and requires localities to adopt administrative approval processes for all attached and detached accessory dwellings.



REFORM INCLUSIONARY ZONING ENABLING LEGISLATION:

Inclusionary zoning policies allow local governments to use their land use regulatory powers to require or incentivize the production of affordable housing. The Nation's first inclusionary zoning ordinance, still in effect today, was adopted right here in Fairfax County, in 1971. Since then, more than 800 communities across the country have adopted inclusionary zoning policies.

However, only a handful of Virginia localities (fewer than 20) have inclusionary zoning ordinances. In Virginia, localities are permitted to adopt inclusionary zoning programs under Virginia Code § 15.2-2304. This law permits adoption of inclusionary zoning ordinances that offer builders a density bonus in return for developing moderately priced housing but allows flexibility for localities to tailor their inclusionary zoning programs to local needs and considerations, including parameters of both density bonuses and number requirements for affordable units. This power is limited, applicable to certain large counties and cities in Virginia. In all other Virginia localities, a more prescriptive and restrictive Virginia Code §15.2-2305 governs inclusionary zoning programs which is a barrier to localities adopting inclusionary zoning as part of their local housing solutions.

NVAR recommends amending Virginia Code § 15.2-2304 to apply to all local jurisdictions across the state, rather than only a handful of localities, while also establishing a statewide definition of housing affordability to provide certainty and guidance to localities in establishing their own inclusionary zoning policies.



FEDERAL ADVOCACY PRIORITIES

CAPITAL GAINS EXCLUSION:

REALTORS® recommend incentivizing more owners to sell their homes by increasing the maximum amount of capital gains a homeowner can exclude on the sale of a principal residence and annually adjusting it for inflation. Bipartisan legislation on this issue has been introduced in the House of Representatives in the “More Homes on the Market Act” (HR 1321).

TAX CREDITS FOR BUILDING AND REHABILITATING OWNER-OCCUPIED HOMES:

REALTORS® recommend attracting private investment for building and rehabilitating owner-occupied homes by offering tax credits that create a pathway to neighborhood stability through sustainable homeownership. Providing this powerful incentive to build and rehabilitate homes for low- and moderate-income homeowners can fill the gap in areas where it is often more expensive to develop or rehabilitate than appraisal values will support. Bipartisan legislation on this issue has been introduced in the Senate through the “Neighborhood Homes Investment Act” (S 657).

COMMERCIAL TO RESIDENTIAL CONVERSIONS

REALTORS® are seeking to incentivize the conversion of unused commercial buildings to residential and mixed-use properties.

Many commercial properties can be adapted to better suit the needs of communities and create job opportunities, including adding multifamily and affordable housing, warehouse and industrial properties, and mixed-use spaces. Legislation has been introduced in both the U.S. House and the U.S. Senate that would provide a limited tax credit for adaptive reuse, The Revitalizing Downtowns Act. The Act would provide a 20-percent tax credit for qualified property conversion expenditures. The credit is modeled on the historic rehabilitation tax credit and can be used for office buildings that are at least 25 years old at the time of the conversion.

EXPAND PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM:

REALTORS® recommend creating incentives for housing provider participation in the Department of Housing and Urban Development’s (HUD) Housing Choice Voucher (HCV) program.

Legislators should also increase funding to assist homeless veterans living on tribal land, update HUD’s methodology for determining rents paid to housing providers participating in the program and reduce burdensome inspection delays. Bipartisan legislation on this issue has been introduced in the Senate through the “Choice in Affordable Housing Act” (S.32).

COMMON INTEREST COMMUNITIES

Common Interest Communities (CICs), the collective term for Condo Associations and Property or Homeowners' Associations, are designed for community living by a developer. The community is created by a specific set of legal documents, generally drawn up by the developer and subject to change by the owners. When the developer relinquishes control of the community, the community's affairs are then governed by the Association of owners through an elected board. The Association board is authorized by law to enforce rules and restrictions, and to collect mandatory assessments to pay for maintenance and improvements to common elements (such as a pool, clubhouse, or just a road or signage). The obligation for owners to pay for insurance, maintenance assessments, and upkeep of shared property other than their own units/lots is the essential characteristic of a Common Interest Community. The relationship between owners and the Association is a financial and legal one.

Two Virginia Acts, the Property Owner's Association Act and the Condominium Act govern the activities of CICs. They grant certain powers to associations regarding the appearance of the property, allowance of accessory structures or signs, resale documents and other matters. Associations must maintain the properties to be safe. They undertake reserve studies and adjust assessments as needed to maintain reserves and make needed repairs.

For the sale of homes that are part of a CIC, resale disclosure documents, called a resale certificate under the Resale Disclosure Act, are essential tools to ensure that all relevant information that may impact a decision to purchase a home in a particular community are provided. Resale certificates are meant to educate buyers about their rights and responsibilities as an owner in the community.

Condominiums are often the most affordable homeownership option for first time buyers, small families, single people, and older Americans, and many of the single-family homes for sale across Northern Virginia are part of an HOA. NVAR understands the value and importance of community associations and the role they have in the housing market.



"Condos continue to be one of the only affordable homeownership options in our region, but hidden costs, safety, maintenance issues and lax community governance are persistent problems that many buyers encounter without realizing. We need to educate our Realtors® and clients about navigating these transactions, but also protect consumers from bad situations that can happen in these communities if they are not well managed."

The Honorable Nancy Harvey Steorts, Chair, Public Policy Committee

STATE ADVOCACY PRIORITIES

ASSOCIATION GOVERNING BOARD MEMBER EDUCATION:

Board members of both large and small associations often lack the knowledge of laws and regulations necessary to function as the laws intend. Boards of directors for CICs are typically comprised of volunteers. Depending on the eligibility requirements in the association bylaws, these are more often than not unit owners with no particular specialized skills or professional knowledge required to serve.

Publicly provided mandatory education is a solution to this knowledge gap. Governing board members need readily accessible educational resources, especially during transition from developer control and for novice board members. **NVAR recommends a new requirement for all association board members to complete a virtual and web-accessible, on-demand education and training program when elected or re-elected to the governing board of the association.** Topics should include, but not be limited to, an orientation to CIC Board resources and association board responsibilities (especially the obligation to maintain, repair and replace common property), management and facilitation skills, reserves, inspections, insurance, and borrowing

COMMON INTEREST COMMUNITY BOARD ENFORCEMENT AUTHORITY:

The Common Interest Community Board and the Office of the Common Interest Community Ombudsman were established by Virginia statute and became effective July 1, 2008. The Common Interest Community Board regulates common interest community managers, as well as certain employees of licensed management firms. The Board's authority also includes condominium and time-share program registrations, and extends to transactions occurring within Virginia, even if the property involved is located outside the Commonwealth. The Office of the Common Interest Community Ombudsman is separate and distinct from the Board. The Ombudsman's responsibilities include offering assistance and information to association members regarding the rights and processes available to them through their associations.

Neither entity has adequate enforcement mechanisms to hold Common Interest Communities who violate laws accountable for these actions. **NVAR supports allowing the CIC Board and the Virginia DPOR to assess additional penalties or implement appropriate enforcement mechanisms for violations of the POA and Condo Acts and the Resale Disclosure Act.**

STATE ADVOCACY PRIORITIES

RESERVE STUDY QUALIFICATIONS AND FUNDING

Virginia law requires that association governing boards conduct a reserve study at least once every five years but does not specify the qualifications for individuals who must perform the study. The absence of specifications is in recognition of the wide range and variety of capital components in CICs. Though many associations choose to hire independent consultants, such as reserve study firms, professional engineers, or architects, there is no requirement that an independent entity conduct the reserve study. This allows an association governing board to conduct the reserve study, regardless of qualifications, or select agents that may be unfamiliar with conducting a reserve study.

NVAR recommends requiring independent, appropriately qualified entities perform reserve studies for CICs within two years of the issuance of the first occupancy permission (Certificate of Occupancy or equivalent), and every five years thereafter.

While reserve studies are required under law, CICs are not actually required to set aside funds for reserves or provide funding for reserves. As such, NVAR also recommends requiring community associations to fund reserve contributions at a minimum to the

levels recommended in the current reserve studies. And to ensure that the reserve funds are actually used and incorporated into the Association budget, **NVAR recommends requiring reserve contributions to be adjusted in conjunction with budget development and review, to reflect changes in reserve funding resulting from expenditure of reserve funds or changes reflected in updated reserve studies.**

ADDING PURCHASER'S AGENT TO RESALE DISCLOSURE ACT:

The Resale Disclosure Act requires a seller to deliver the resale certificate to the purchaser. This is contrary to common practice where seller agents typically deliver the certificate to purchaser agents. Not including "purchaser agents" in the code creates liability concerns for seller agents who deliver a certificate to purchaser agents, but not directly to the purchaser themselves. **NVAR recommends adding "purchaser's agent" into the resale disclosure act and anywhere else necessary in the code to protect the common practice of seller agents delivering resale certificates to purchaser agents.**

WAIVER OF RIGHTS UNDER RESALE DISCLOSURE ACT:

Under the new Resale Disclosure Act (RDA) certain language regarding variation by agreement was omitted by the recent recodification. In the old §55.1-1808 of the Property Owners' Association Act (POAA), subsection (G) stated, "Except as expressly provided in this chapter, the provisions of this section and §55.1-1809 [regarding delivery of the resale disclosure packet to the Purchaser in a real estate transaction] may not be varied by agreement, and the rights conferred by this section and §55.1-1809 may not be waived." This language has not been included in the RDA, eliminating a significant consumer protection and allowing for the right of cancellation and the right of delivery conferred by the RDA to be waived by the Purchaser in a real estate transaction. These rights were created to give Purchasers the opportunity to review resale certificates to ensure the properties they were purchasing were not subject to violations and were part of common interest communities that had adequate reserves.

Further, §55.1-1902 (Condos) and §55.1-2102 (Co-ops) are still in effect, creating a discrepancy between purchases within property owners' associations and other types of common interest communities. By these existing statutes, the rights conferred cannot be varied by agreement but this language no longer exists in the POAA. Additionally, §55.1-1972 in the Condo Act lists specific exemptions from the obligations under the RDA, creating another

discrepancy as purchasers in general real estate transactions are not listed; however, as the RDA currently reads, purchasers can exempt themselves by agreement, rendering the change to this statute with the recodification useless. **NVAR supports adding the language prohibiting variation by agreement and waiver of the rights conferred by the RDA back to the RDA to correct these discrepancies and to protect purchasers of properties within common interest communities.**

CIC TRANSPARENCY AND CONSUMER PROTECTION:

Currently, CICs are required to file an annual report with the CIC Board, but the report only includes minimal information including the association's location and governing officers. As it stands now there is no penalty or incentive for associations to follow the laws.

NVAR supports increasing the information in this annual filing and the enforcement of the registration as a possible solution to some persistent problems such as overcharging fees, the inability for buyers and sellers to obtain timely and complete resale certificates, and associations' ability to maintain financial stability. **NVAR recommends legislation requiring the CIC annual report to include complete copies of the current Resale Certificate with the ability for this annual filing to be maintained on a central database available to the public.**

PROPERTY MANAGEMENT AND RESIDENTIAL LANDLORD AND TENANT ISSUES

With homeownership being the ultimate goal, the reality is that most individual's first housing option as they enter the workforce is rental housing. REALTORS® recognize the need to produce rental housing and preserve rental housing stock. REALTORS® are active in the rental housing market in many ways. They can help renter clients find housing in competitive markets, they help their clients purchase properties and rent them out to tenants, and they manage properties for their clients.

The pandemic and the current housing crisis have affected both landlords and tenants across multiple sectors. Rental housing is in high demand and rising rents reflect this demand. Almost half of American renter households pay more than 30% of their income on housing costs. Federal, state and local governments must work together to tackle the cost of housing in the United States. With this in mind, local and state leaders are expected to continue developing options to keep individuals in their homes, prevent evictions, reduce inflation of rents and to preserve rental housing options.



“As a Realtor® and specifically a Property Manager, I am committed to representing and protecting my Owners and Landlords in their real estate investments. We need to ensure that operating as a housing provider is not burdensome on the owner and we need advocate against rent control and other restrictive pieces of legislation that limits their ownership rights.”

Debbie Baxter, NVAR Public Policy Committee

LOCAL ADVOCACY PRIORITIES

STATE ADVOCACY PRIORITIES

RELAXING REGULATION ON SHORT TERM RENTALS:

Localities across our region have adopted ordinances that limit or prevent the ability of property owners to rent out properties on a short-term basis. The dynamics of this issue are complex. Local governments have tried to find a balance between allowing short-term rentals while facing immense pressure from community advocates to protect the “character” of residential neighborhoods. Officials also fear the loss of both rental and ownership housing stock to non-resident investors.

With the high cost of homeownership, a key feature of an individual’s property rights is the right to gain income from property. The ability to supplement income through short-term rental of a single room in a property, a whole property when the owner is not there, or even an accessory unit can be the difference in maintaining ownership of the property or being forced to move or relocate due to the ever increasing cost of living. **NVAR recommends local governments reexamine and relax current regulations on short-term rentals with specific focus on increasing the allowable nights for which a property may be rented annually, and allowing accessory dwellings to be used for short-term rentals.**

OPPOSE RENT CONTROL:

Rent control (also known as rent stabilization and/or rent caps) is a form of government-enforced price control that limits rents that property owners may charge in market rate rental housing. While the intent of rent control laws is to assist lower-income individuals, history has shown that rent control exacerbates shortages, disproportionately benefits higher-income households and ultimately drives up rents.

Most of the nation’s existing rent control laws were first instituted in the post-WWII economy, when America struggled to find enough housing for returning soldiers. Today, rent control is mistakenly perceived as a method to improve affordability in the face of stagnant household incomes. While rent control policies are often well-intentioned, numerous studies and real-world examples demonstrate that such rules and regulations lead to unintended consequences harming residents, property owners/managers, and the greater community.

NVAR opposes rent control and rent stabilization laws and will strongly oppose any attempt to grant local governments in Virginia the authority to oversee rent control policies.

REALTOR® PROFESSIONALISM, EDUCATION AND PRACTICE

The practice of real estate is a complex and ever-changing profession. To protect the needs of the consumer and prevent liability to agents, it is essential that real estate licensees have adequate education, training, supervision and regulation. NVAR has always been supportive of maintaining and increasing the level of professionalism in the real estate industry.

In the past decade, REALTORS® have sought and obtained General Assembly approval on legislation addressing the core competency of real estate licensees, including additional pre- and post-licensing education requirements, written brokerage agreement requirements, increased broker oversight of firm licensees, and background checks for new licensees. These measures have increased the training and education levels of licensees, but more must be done. Considering that real estate agents facilitate what may be the most expensive transaction individuals will make in their life, agents with minimal education and supervision may not be sufficiently qualified to advise many homebuyers and sellers as well as they should.

Also, over the past decade and in recent years the professionalism issues have been discussed by numerous study and advisory groups to explore a wide range of topics related to broker supervision and accountability, pre- and post-licensing education requirements, quality of education, regulatory enforcement and numerous other issues.

But the ever-changing landscape of the industry and changes to the way Virginian's are entering the workforce require continued efforts to ensure REALTORS® are well regulated, educated and supervised.



"According to polls 15% of the public finds real estate agents to be extremely untrustworthy. This tells us that professionalism in our industry continues to be a struggle. While we value the independence our profession provides, it is clear that both agents and brokers need more tools and fail safes to ensure adequate supervision is being provided to every agent. We need to make sure the law keeps up with the rapidly evolving post-Covid where we may not need offices, but we need increased supervision and licensing; where we can get more people in the industry through high-school education programs, but we need to regulate wholesalers to protect consumers."

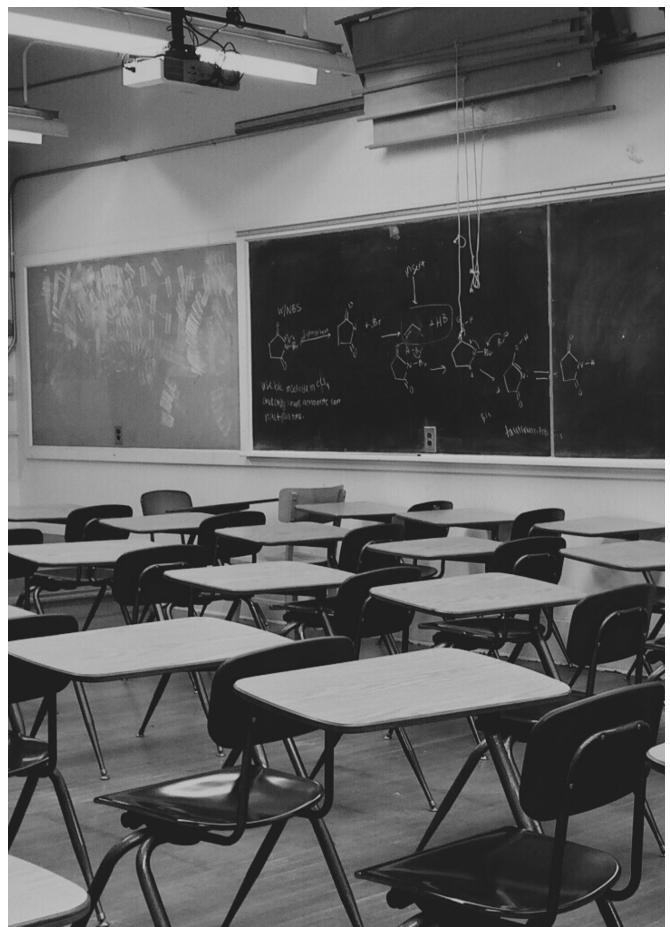
Ann Yanagihara, NVAR Public Policy Committee

LOCAL ADVOCACY PRIORITIES

HIGH SCHOOL PRE-LICENSE EDUCATION PROGRAM:

More and more students, parents and educators are seeing the value of career-oriented training programs and dual-enrollment courses as a path to education for high school graduates to prepare for entering the workforce. Career focused classes where students are learning useful skills that they can turn into a lifetime of business are a great path for students who are looking for career options or are not immediately enamored with attending post-secondary education.

NVAR proposes working with local school districts and the Department of Professional and Occupational Regulation (DPOR) - Virginia Real Estate Board to allow students to graduate high school with a Virginia Real Estate License.



STATE ADVOCACY PRIORITIES

PLACE OF BUSINESS REQUIREMENTS:

In the post-Covid world, flexibility in where one physically works has become common-place. Employees and businesses in every industry sector have moved to some form of flexible, hybrid or fully remote working space. Research varies on how productivity improves or worsens at home, that is largely dependent on the individual to know themselves and their work habits to make a good decision. REALTORS® often set their own hours and have different schedules depending on the day, so it is natural for their work to rarely bring them to a physical office.

Virginia law however requires every resident real estate broker to maintain a place of business in the Commonwealth, and no place of business shall be in a residence unless it is separate and distinct from the living quarters of the residence with its own entrance and is accessible by the public.

With real estate agents and salespersons working remotely and infrequently meeting clients in offices, the requirement for brokers to maintain brick-and-mortar businesses has become antiquated. **NVAR supports relaxing the Virginia Real Estate Board Licensing regulations to allow greater flexibility in the physical location of real estate place of business.**

SUPERVISING BROKER LICENSE:

Brokers in charge of other licensees and managing them as supervising brokers, should be subject to additional licensing and education requirements to ensure they can perform all supervisory duties. The education requirements for a Virginia Real Estate Broker License is a good start, but not all Broker License holders are prepared to supervise and manage other licensees. The Virginia REALTORS®, recognizing a need for additional education and training, have established the Broker Premier Certification, designed to expand the knowledge of supervising and managing brokers to allow them to successfully manage and operate a real estate office.

The results of this certification program are great, and the program should be expanded from a voluntary certification to a mandatory licensing requirement for supervising brokers. **NVAR recommends legislation establishing a separate license for supervising brokers encompassing the coursework (or equivalent) of the Virginia REALTORS® Broker Premier Certification.**

REGULATING REAL ESTATE WHOLESALING:

In wholesale real estate transactions, the wholesaler enters a purchase contract for a home from a seller, for a small earnest money deposit. The contract spells out the amount the wholesaler will sell the property for and the required time period for the sale. After the wholesale real estate contract is in place, the wholesaler attempts to find an interested investor. Once found, they reassign the contract to the investor at an agreed upon higher price. The difference in prices is known as the wholesale fee and is how the wholesaler profits on the transaction.

Wholesalers may target distressed properties that the owner doesn't want to spend time or money on, but oftentimes wholesalers prey upon individuals who are unaware of the real estate market and the actual value of their property. Wholesaling has generated complaints about misleading sales tactics, predatory contracts and clouding title to properties. The practice of wholesaling is becoming more common in Northern Virginia and across the Commonwealth. The Virginia Code does not define wholesaling as a real estate activity and as a result, licensees who engage in wholesaling are doing so without legal guidance and unlicensed individuals are able to engage in the practice without being subject to same laws and regulations as other real estate professionals.

NVAR supports legislation to define wholesaling as real estate activity. Requiring wholesalers to obtain a license and abide by the same laws and regulations as other real estate professionals will help increase accountability and protection for the public and provides a legal framework to protect REALTORS® and their clients from liability.



FAIR HOUSING

People choose to live in Northern Virginia for many reasons – healthy neighborhoods, good schools, and access to jobs, to name a few. But many aren't treated equally when it comes to housing and other opportunities.

As stewards of the right to own, use, and transfer private property, REALTORS® know an open housing market free from discrimination benefits consumers, communities, and the American economy. Discrimination distorts the housing market and closes the door on the American dream of homeownership for qualified buyers. Yet, more than 50 years after passage of the federal Fair Housing Act, the homeownership rates for African Americans, Hispanic Americans, and Asian Americans lag behind that of White Americans. REALTORS® are committed to the enforcement of fair housing laws and to policies that remove historic barriers to homeownership.

The REALTORS'® Fair Housing Action Plan, emphasizes Accountability, Culture Change, and Training, to advance fair housing in the industry. We raise awareness, deepen understanding, and hold ourselves accountable. We promote public policy to advance broader homeownership availability, accessibility, and affordability in all communities. We prioritize efforts to narrow homeownership gaps among demographic groups and promote strong enforcement of anti-discrimination laws in the housing market.



"Our association's commitment to fair housing and DEI education and advocacy is absolute. Our goal is to lead by example today, so we can help deliver on everyone's hope to participate in the American dream of home ownership."

Thomas Daley, NVAR Public Policy Committee

LOCAL ADVOCACY PRIORITIES

PROTECT THE HOUSING RIGHTS OF INDIVIDUALS AND STRENGTHENING FAIR HOUSING EDUCATION

REALTORS® are sworn to uphold a strict Code of Ethics, treating all clients equally, regardless of their race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. The REALTOR® commitment to diversity and equality is perhaps the strongest in real estate, even going a step farther than the federal Fair Housing Act, which does not include sexual orientation and gender identity as protected classes against housing discrimination.

NVAR has a long history of zero tolerance for Fair Housing violations and disparate treatment, and even one allegation is unacceptable. Localities throughout Northern Virginia conduct fair housing testing to identify these discriminatory practices in the rental, sales, and lending markets. As NVAR's Realtors® pledge to conduct business in keeping with the Code of Ethics, the organization is committed to being part of the solution. We have a demonstrated track record of leadership in Fair Housing, and we will continue to strengthen this proven record by partnering with localities in identifying and eliminating discrimination. **NVAR supports fair housing testing and encourages our local governments to continue this effort while utilizing NVAR as a source for education and outreach on this issue. NVAR is committed to creating more diversity,**

equity and inclusion and fair housing activity within our membership with REALTOR® training, increased awareness of implicit bias and recognition of the impact of discrimination in housing.

FAIR HOUSING ANALYSIS

State and local governments receiving funds from the U.S. Department of Housing and Urban Development (HUD) must submit a fair housing plan. Instead of creating separate plans, eight communities joined together and worked with Public Housing Authorities (PHAs) and others on a regional plan. The result is the Metropolitan Washington Regional Analysis of Impediments to Fair Housing Choice. Each local government must approve it before it's sent to HUD.

As part of this plan, each locality in the region will adopt policy goals to help achieve fair housing. One such goal is to incorporate a fair housing analysis into the review of significant rezoning proposals and specific plans. Several large new developments in the region have not sufficiently addressed the needs of members of protected classes who have been displaced or priced out of the area. Incorporating a fair housing analysis in the review process for these plans could reduce displacement and other negative impacts for members of protected classes. **NVAR supports adoption of a fair housing equity analysis process into local decisions, where the provision of affordable housing, avoiding displacement of existing residents, and creating access to opportunity for all are priorities.**

STATE & FEDERAL ADVOCACY PRIORITIES

VIRGINIA FAIR HOUSING ACT: AFFORDABLE HOUSING

In 2021, the Virginia General Assembly adopted a new section of the Virginia Fair Housing Act that prohibits a local government, its employees, or commissions from discriminating in the application of local land use ordinances or permitting of housing developments based on the real or perceived income level of the expected occupants if their income is at or below 80 percent of the area median income (AMI). The section further states that “It shall not be a violation of this chapter if land use decisions or decisions relating to the permitting of housing developments are based upon considerations of limiting high concentrations of affordable housing.”

While well intended to prevent concentrated areas of low-income housing, this final sentence is vague enough as to render the preceding prohibition meaningless. Localities can use an unquantified threshold of “high concentration of affordable housing” to circumvent the fair housing prohibition.

Furthermore, local governments already have tools at their disposal to prevent the concentration of affordable housing by using comprehensive plans and zoning code ordinances. As a result, this clause is duplicative at best and detrimental to the development of affordable housing at worst.

NVAR supports legislation to either strike “It shall not be a violation of this chapter if land use decisions or decisions relating to the permitting of housing developments are based upon considerations of limiting high concentrations of affordable housing” or defining in specific terms what “high concentration of affordable housing” means in order to prevent the sentence from being used as a loophole.

FAIR HOUSING ENFORCEMENT FUNDING:

REALTORS® support reauthorizing and increasing funding for HUD fair housing enforcement programs. Recent testing investigations show there is still widespread discrimination in the housing market. We must be more proactive in uncovering and investigating fair housing violations. An enforcement system that relies solely on complaints will miss most fair housing violations.

Congress should support legislation that closes the homeownership gaps among demographic groups and reauthorize and increase funding for HUD’s fair housing enforcement grant programs.

TRANSPORTATION, INFRASTRUCTURE AND EMERGING TECHNOLOGIES

Infrastructure improvements have been shown to enhance property values by creating livable communities and business districts. Poorly maintained streets and traffic congestion in an area impose extra costs throughout the local economy. Further constraints on funding for transportation projects of all types, particularly those that contribute to walkable, stable, and vibrant neighborhoods, may negatively affect property values and inhibit development.

NVAR has long considered transportation one of our top priorities and improving our regional transportation network as essential for sustained regional prosperity and continued growth of the real estate market. Support for long-term regional and statewide transportation funding has also been a long-standing priority of NVAR and REALTOR® Associations throughout the region.

As REALTORS®, we talk to people moving to and within Northern Virginia every day. One of their primary concerns is congestion and travel time throughout the region. People want to be able to get to work, to shopping, or to their children's activities without sitting in gridlock. They do not care about local and state boundaries; they desire a highly functional regional transportation network.

Infrastructure is not limited to transportation. Updating and modernizing energy, water, waste, stormwater and communications systems are also keys to unlocking our regional growth and prosperity. This effort also provides an opportunity to ensure the benefits and jobs from infrastructure investments are shared and continue to enhance property values and increase community resilience.



Healthy, vibrant communities and our region's economic future depend on transportation. The DMV region has some of the worst traffic in the nation and Metro is facing a huge funding shortfall that threatens the future of the system. NVAR is dedicated to supporting multi-modal transportation solutions for everyone. Access from home to jobs, child care, schools, recreation and everything in life is the most important factor when many home buyers consider where they live and work.

Peter Bixby, NVAR Board of Directors and Public Policy Committee

LOCAL, STATE AND REGIONAL ADVOCACY PRIORITIES

NORTHERN VIRGINIA TRANSPORTATION FUNDING

In order to make these investments NVAR supports the full restoration of Northern Virginia Transportation Authority funding diverted in 2018, using statewide or regional dedicated funding sources and not from additional taxes on the real estate industry.

NVAR has long considered transportation one of our top priorities and improving our regional transportation network through both roads and transit as essential to the economic success of the greater metro area as well as providing benefits to all of Virginia. As such, NVAR made difficult decisions to support additional taxes on real estate enacted in 2013 and 2018. Each of these historic pieces of legislation provided vital transportation funding our region desperately needed and we were proud to be part of the solution. After the 2020 General Assembly Session, there remains a \$38.5 million per year shortfall in funding. We believe the Commonwealth should maintain its commitment to fund transportation improvements in Northern Virginia through other statewide funding mechanisms.

SUBURBAN MARYLAND TRANSPORTATION AUTHORITY:

NVAR supports the creation of a Suburban Maryland Transportation Authority to identify, prioritize, and fund transportation capacity improvements in Charles, Frederick, Montgomery, and Prince George's Counties using new, dedicated regional revenue and specified performance metrics.

WMATA FUNDING:

Metro is a core regional and statewide asset, and that a well-maintained, safe, reliable, and fiscally sustainable Metrorail system is essential to the Washington Region's economic competitiveness.

NVAR supports maintaining sustainable, adequate Metrorail funding tied to implementation of appropriate operational, safety, and governance reforms. We also support an evaluation of WMATA's long-term financial stability due to the ridership impacts of COVID-19 and telework trends in the region. WMATA should also work with local transit agencies to continue improving the efficiency and effectiveness of our regional bus network including a bus network redesign, modernization, and the creation of a new dedicated bus lanes network in the region.

LOCAL, STATE AND REGIONAL ADVOCACY

KEY TRANSPORTATION PROJECTS:

NVAR supports solutions to transportation challenges that require a big picture perspective – regionally (DC, MD, No.VA), as well as statewide. Transportation funds should be primarily focused and leveraged, where appropriate, with federal, state, and private funds on projects of large-scale regional significance. These projects include:

- Incomplete Projects—numerous projects around the region have been started, but delays plague completion. Efforts need to focus on driving these projects to completion.
- American Legion Bridge – Add two new High Occupancy Toll (HOT) Lanes in each direction and add express bus service between Virginia and Maryland per the recommendations of the American Legion Bridge TDM Study.
- Regional Express Lanes Network – Complete the planned Regional Express Lanes Network along the Maryland Beltway from the American Legion Bridge to I-270 and the Woodrow Wilson Bridge to I-95, the Virginia Beltway from Springfield to the Woodrow Wilson Bridge, and I-270 to Frederick. All express lanes should be free for HOV and public transit vehicles.
- Regional Rail Expansion – Fund the construction of a new Long Bridge and fourth track to Springfield, Union Station upgrades, and expansion of MARC and VRE run-through service between Virginia and Maryland.
- New Potomac River Crossing – Construct a new Bridge northwest of the American Legion Bridge.
- Route 355 BRT – Construct new dedicated lanes for Bus Rapid Transit along Route 355 in Montgomery County Maryland.
- WMATA funding – Continued investment in safety and reliability of the region’s Metro system as it continues to recover from COVID-19 related declines in ridership.
- Route 15 – Widen and improve Route 15 including the Point of Rocks Bridge between Frederick, Maryland and Leesburg, Virginia; and improve heavily congested sections in Frederick, Maryland.
- Route 28 – Build the 28 Bypass and Route 28 STARS improvements in Prince William County.
- Richmond Highway – Expand roadway capacity including dedicated lanes for Bus Rapid Transit.
- Northstar Corridor – Connect Route 234 in Prince William with US Route 50 in Loudoun County.
- Prince George’s County – Key interchanges and other corridor improvements to boost transit-oriented development around the Greenbelt Metro station, New Carrollton, and various Blue Line Corridor Improvements including Medical Center Drive and Largo.
- Southern Maryland Rapid Transit – Fixed guideway transit project along the MD-5/US-301 corridor.

LOCAL, STATE AND REGIONAL ADVOCACY

PROJECT PRIORITIZATION:

The primary function of our transportation infrastructure is to facilitate the movement of people and goods throughout our region. That function goes far beyond commuting, which only accounts for about 20% of all daily trips.

NVAR supports continued investment in Northern Virginia's transportation infrastructure using performance-based statewide and regional transportation plans that focus on corridors of regional and statewide significance and the prioritization of projects that produce the best long-term return on investment. We support similar investments in Maryland and throughout the region that deliver performance-based benefits to our region.

When prioritizing transportation projects, the Commonwealth Transportation Board, the Northern Virginia Transportation Authority, State and local agencies in Maryland, and the region's Transportation Planning Board should focus on projects that:

- Reduce congestion and travel time between major regional employment centers;
- Move the greatest number of people throughout the region;
- Increase region-wide network reliability; and
- Promote regional economic opportunity and growth.



NVAR LEGISLATIVE AGENDA

STANDING POSITIONS OF THE NORTHERN VIRGINIA ASSOCIATION OF REALTORS®

DILLON RULE

NVAR favors the current system of government where political subdivisions have only those powers granted by the General Assembly, established by legal precedents commonly known as the Dillon Rule. NVAR supports the granting of reasonable administrative functions to the localities.

ECONOMIC GROWTH AND INFRASTRUCTURE

NVAR supports quality growth and livable communities which ultimately depend on a strong economic sector, sound efficient land use, adequate infrastructure funding and protection of the environment. NVAR supports efforts to promote economic development of the region.

ADEQUATE PUBLIC FACILITIES

NVAR supports development of adequate public facilities through an appropriately planned and funded Capital Improvement Program. NVAR opposes legislation which would require the existence of adequate public facilities prior to, or concurrent with, the development of a particular project, whether it be commercial or residential.

ENVIRONMENTAL INITIATIVES

NVAR supports voluntary incentives to encourage energy efficiency, open space preservation and green building practices, but opposes environmental mandates that restrict private property rights, drive up the cost of development or impede the transfer of real property.

CHESAPEAKE BAY PRESERVATION ACT

NVAR supports a balance between a healthy Chesapeake Bay and a strong, viable economy. NVAR will only support reasonable regulations that achieve equilibrium between economic growth, the protection of private property rights and the preservation of the environment. We will oppose any unreasonable measures to expand the Chesapeake Bay Protection Areas.

HOUSING AFFORDABILITY

NVAR supports efforts to increase the supply of housing affordable to all income levels as we look to fill housing needs across the region. NVAR is committed to the development and preservation of diverse housing stock and to preserving the dream of homeownership for the greatest number of people possible. NVAR is opposed to unreasonable zoning and land use restrictions that ultimately lead to increased costs for housing.

INDUSTRY COMPETENCY AND PROFESSIONALISM

NVAR supports legislation to enhance the knowledge and professionalism of Virginia's real estate licensees.

PROPERTY OWNERS AND CONDO ASSOCIATION ACTS

NVAR supports a comprehensive review and rewrite of the provisions of the Virginia Condominium Association Act (Condo Act) and the Property Owners' Association Act (POA Act).

TAXATION

NVAR supports a comprehensive tax restructuring in the Commonwealth. It supports a tax system that is broad-based, fair, and one that will more fairly distribute the state's revenues, taking into consideration the great needs of localities to pay for and provide services. NVAR supports consideration of alternatives to reduce the impact of local governments' reliance on property taxes to cover local spending. Local governments should strive to cut their costs through improved efficiency, consolidation of programs, and privatization. NVAR opposes increases in the recordation tax.



Josh Veverka RCE | Senior Director of Government Affairs
Northern Virginia Association of Realtors®
8407 Pennell Street, Fairfax, VA 22031
703.207.3201 (office)
jveverka@nvar.com