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The Honorable Ellen F. Robertson  
Councilmember  
Richmond City Council  
Executive Offices  
Richmond City Hall  
900 E. Broad Street  
Suite 305  
Richmond, Virginia 23219

Re: Proposed Ordinance to permit short-term rentals (Ordinance No. 2019-343)

Dear Councilmember Robertson:

This firm has been engaged to represent a group of property owners in the City of Richmond (the "City") in connection with the proposed regulations ("Regs") governing short-term rentals (STRs) to be reviewed by City Council at its February 10, 2020 meeting. These owners are operating successful STRs in the City, and while understanding and supportive of the need for regulation, would suffer shut down or severe restriction on their operations if the Regs are passed as proposed.

The stated purpose of the Regs is to change the laws to permit STRs as a legal use under the City's Zoning Ordinance. Despite the fact that STRs are currently prohibited, there are over 800 listings for STRs in the City. According to City Planning and Development Review staff ("PDR"), there were only ten (10) complaints about STRs operating in the City in all of 2019, and only four (4) complaints in 2018. This evidences that the STR industry is largely self-regulating. This is due to the fact that STRs have a built in regulator – the guest/host review process. Each STR guest who rents through an online platform (such as Airbnb or VRBO) has the opportunity to publicly review the host and the property and the experience they had at the STR, including cleanliness, communication, check-in, accuracy, location and value. Accordingly, to keep reviews high so that potential guests will rent the STR based on good reviews, the host must deliver a clean, comfortable and generally positive experience or else travelers will not rent the STR. Similarly, each host of a STR who rents via an online platform has the opportunity to publicly review each renter and comment on whether or not they were considerate guests. This has the effect of motivating guests to take good care of the STR unit, and deterring renters who are looking for a place to throw a

wild party from renting STRs for that purpose. The self-regulating nature of STRs is further evidenced by the response to the question on the STRs survey performed by PDR in 2019. When asked "Do you have any concerns with STRs?", 72% of respondents answered "NO".

Due to the self-regulating nature of STRs, the Regs should focus on two (2) things: safety of guests and collection of occupancy taxes to be remitted to the City. Instead, the Regs are complicated, confusing and will be very expensive for the City to administer and impossible to enforce. We are requesting that you take action Monday night to defer the vote on the Regs to allow the affected STR operators the time necessary to work with PDR to address the problems with the Regs and work out resolutions to the issues. **Give us the time to get it right.**

There is one aspect of the Regs that is of particular concern to my clients. As currently drafted, the Regs would make it illegal for an owner of property from renting it for STR use unless the owner has its primary residence on the same lot as the STR unit and occupies it for at least 185 days each year (the "185 Day Rule").

The 185 Day Rule would have the impact of eliminating the most desirable STRs in the City, and would be contrary to the demands of the typical tourists traveling to the City who rent STRs. Current trends and market experience show that tourists select STRs that are not occupied by their owners, preferring private, professionally presented accommodations. They are seeking high quality and sparkling clean spaces, without the presence of the owner's clothes, photographs and other personal items. These preferences in STRs are met best by operators of STRs who take it seriously. There is no correlation between living on the same lot as the STR unit and the motivation to run a profitable and successful STR.

PDR has justified the 185 Day Rule by stating that it will reduce the speculative use of private residences as hotels, prevent absentee landlords from converting long term rentals ("LTRs") into STRs, and limit the effects on residential neighborhoods. This justification is not supported by the facts. Successfully operated STRs require enormous amounts of time and attention to the care and upkeep of the STR unit and hosting guests, because the guests demand a top quality product, and have the ultimate leverage over making sure those demands are met through the online review process. This level of upkeep and maintenance is not consistent with the behavior of absentee landlords.

LTRs are more burdensome on the surrounding neighborhood than STRs. LTRs have residents in occupancy on an on-going basis, along with their cars being continuously parked around the LTR whenever they are at home. On the other hand, STR guests often Uber from the airport to their STR, resulting in no additional parking burden on the surrounding neighborhood. STR guests staying in the City are typically here only on the weekends, and are not present at the unit much at all, because they are out enjoying all our great City has to

offer, including dining at restaurants, drinking at breweries and wineries, and shopping in Carytown. On the other hand, LTRs in the same neighborhoods where STRs in the City are most popular (the Museum District, the Fan, Downtown and Church Hill) are often occupied by students and individuals with “renters attitudes” who leave trash around the property and surrounding neighborhood, host parties disturbing to their neighbors, and generally take very poor care of their LTR. These are the kinds of properties that are attractive to absentee landlords, not STRs.

The Regs are being developed because of the City’s recognition that it wants to be a world class tourist destination and that STRs are a huge part of the modern hospitality lifestyle. The attempt to keep STRs strictly “mom and pop” by including the 185 Day Rule is contrary to the goal of providing the attractions that tourists and visitors are seeking. Other cities around the country have successfully implemented STR regulations that recognize the need for different levels of regulation for owner occupied STRs vs. non-owner occupied STRs, and we can do it too. We urge you to defer the vote on the Regs to allow time for the STR operators and PDR to work together to revisit the 185 Day Rule. **Give us the time to get it right!**

Thank you for your due consideration of the issues presented in this letter. If you should have any questions or wish to discuss, please do not hesitate to contact me.

Very truly yours,



Laura Lee Garrett

cc: Tyler Rackley - STR located at 1719 Hanover Ave, 23220  
Stacie Vanchieri – STR located at 2501 E Broad St, 23223  
Matthew Myers Logan – STR located at 1617 Floyd Ave, 23220