

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

Summary

Affordable Housing Solutions, Landlord/Tenant & Real Estate Law Workgroup
Thursday May 22, 2025, 10:00 a.m.
Senate Room C, the General Assembly Building

Introduction:

Delegate Briana Sewell, *Chair*, called the meeting to order at 10:07 a.m.

Members present: Delegate Briana Sewell, Senator Mamie Locke, Delegate Adele McClure, Director Elizabeth Palen, Bismah Ahmed, *Apartment and Office Building Association and the Virginia Apartment Management Association*, Bob Bradshaw, *Independent Insurance Agents of Virginia*, Laura Dobbs, *Housing Opportunity Made Equal*, Andrew Clark, *Home Builders Association of Virginia*, Troy Garrett, *Virginia Association of Housing & Community Development Officials*, Randy Grumbine, *Virginia Manufactured and Modular Housing Association*, Kelly Harris Braxton, *Virginia First Cities Coalition*, Kelly King Horne, *Homeward and the Greater Richmond Continuum of Care*, Monique Johnson, *Virginia Housing*, Erin Korman, *Virginia Realtors*, Christy Marra, *Virginia Poverty Law Center*.

Staff present: Molly Bowers, Jesseca Hoff.

Speakers present: John Altmiller, *Pesner Altmiller Melnick & DeMers, PLLC*, Ryan Donmoyer, *Parent of VT student, Resident of Purcellville*, Delegate Debra Gardner, Joseph Hudgins, *Independent Insurance Agents of Virginia*, Katie Johnson, *State Corporation Commission Bureau of Insurance*, Ray LaMura, *VCTA - The Broadband Association of Virginia*, Michael Pruitt, *H.O.M.E.*, Daniel Rezai, *Virginia Poverty Law Center*, Senator Scott Surovell, Robert Taylor, *Virginia Broadband Industry Association*, Joe Weisner, *Xfinity Communities*.

Members absent: Senator William Stanley, Delegate David Bulova, Martin Johnson, *Gubernatorial Appointee*.

The meeting began with introductions and opening remarks followed by presentations and discussion.

Materials presented at the meeting are accessible through the [Commission's website](#).

Overview of the Agenda

Director Elizabeth Palen welcomed attendees, explaining the workgroup would address assigned issues, with some potentially resolved in the current meeting and others requiring more interim study. She then presented Virginia housing statistics: the statewide median sales price reached \$425,000 in April. This figure is up 2% since the last median household income report, which showed a median income of \$90,000 (noting that this income figure varies regionally). Year-to-date 2025 median single-family home prices were \$664,000 (Northern

Virginia), \$345,000 (Hampton), \$389,975 (Richmond), and \$293,475 (Roanoke). **Director Palen** also noted that interest rates remain high, and inflation is slowing. She added that some agenda participants, such as representatives from the Bureau of Insurance, were present primarily to answer technical questions.

Home Inspector Disclaimer of Civil Liability

Senator Scott Surovell initiated a discussion on legislative measures to prohibit home inspectors from contractually limiting their civil liability. He stated that the Virginia Department of Professional and Occupational Regulation (DPOR) currently requires tort insurance that primarily addresses extraneous rather than the quality of the inspection itself. He noted that a Virginia Supreme Court precedent upholding liability limitations for property damage creates a "caveat emptor" situation, making proof of fraud for missed defects exceptionally difficult.

Senator Surovell suggested that inspectors who are often referred by realtors, might perform less thoroughly if discovering significant issues could negatively impact sales and future referrals. He proposed that inspectors should not be permitted to limit their liability, or at least not below the DPOR-required insurance amount, referencing his 2018 bill (SB 627).

John Altmiller, a civil litigator with vast experience representing realtors as well as wronged home buyers, supported **Senator Surovell's** position. He cited Virginia's "caveat emptor" (let the buyer beware) doctrine and the Residential Disclosure Act, that he stated, provides that sellers make no representations about the property's condition unless they are professionally concealing defects. He described inspection reports as lengthy, which can create an "illusion of thoroughness." However, in his view, these reports are often superficial and completed rapidly under short contingency periods. Typically, he said liability is limited to the inspection fee. **Altmiller** stated the Virginia Consumer Protection Act no longer applies to individuals selling their own homes, leaving Common Law fraud as a difficult and costly remedy. He stated home inspectors should be held to professional standards similar to those of contractors, doctors, lawyers, and plumbers. Altmiller characterized home inspection contracts as "contracts of adhesion," where buyers cannot negotiate the limitation of liability terms, as all inspectors use similar contracts and there is no market incentive to offer different terms.

Joseph Hudgins, *Independent Insurance Agents of Virginia*, presented information on insurance product availability. He clarified DPOR requires General Liability, not Professional Liability (Errors & Omissions) for missing a defect, confirming that Professional Liability products are available. He provided data that 18 states require Professional Liability for home inspectors, and four states (California, Alaska, Wisconsin, and Massachusetts) do not allow home inspectors to restrict their liability. **Mr. Hudgins** concluded that insurance products are available and expanding liability exposure might increase premiums over time.

Questions

Delegate Adele McClure asked about how other states manage failed inspections, and staff were directed to research this topic.

Erin Korman, *Virginia Realtors*, sought clarification, stating the primary issue is not inspector selection or overall quality, but that inspectors are uniquely shielded from significant liability, which she indicated often falls back on real estate agents. **Altmiller** concurred that agents are often pursued due to inspectors' limited liability.

Christy Marra, *VPLC*, asked if the proposed remedy was solely removing the liability cap or also changing the claim basis from fraud to negligence; **Senator Surovell** indicated his prior bill simply prohibited limiting liability (referencing [SB627](#)).

Laura Dobbs, *H.O.M.E.*, asked about potential impacts on homeowners' ability to maintain insurance if defects, particularly water-related, are discovered post-purchase. **John Altmiller** explained it is not typically a direct insurance issue but can have cascading effects. For example, water damage resulting from a pre-existing defect might not be covered as a casualty loss, and making such a claim could affect future insurance rates or availability. He described it as a difficult situation for buyers, as the system is not designed for their protection.

Outcome: Chair Delegate Sewell indicated this was the beginning of the conversation. No definitive action was taken, and further discussion was anticipated.

Consideration of Mandatory Disclosure on Home Sales Regarding the Chesapeake Bay Preservation Act (§§ 62.1-44.15:67 et seq.)

Senator Scott Surovell presented the issue, citing problems encountered by his constituents and in his legal practice. Under the Chesapeake Bay Preservation Act, localities designate Resource Protection Areas (RPAs) near waterways, consequently there could be severely restricted development and land-disturbing activities. Surovell stated that many homeowners, particularly on waterfront properties or those near estuaries/streams, are unaware of these restrictions. Contractors may misinform homeowners about these restrictions, leading to violations and significant fines (e.g., issues with bulkhead replacements under the Living Shoreline Law, or placing unauthorized fill dirt). The original proposal was a mandatory disclosure in home sale agreements. After discussions with realtors and homebuilders, an alternative emerged: requiring localities to place a prominent warning on annual real estate tax bills notifying if a property is within an RPA.

Andrew Clark, *Home Builders Association of Virginia*, supported the tax bill disclosure concept. He noted jurisdictional challenges in enforcement (limited staff, reliance on citizen complaints) and difficulty in tracking down non-member contractors. The aim is to inform homeowners to prevent inadvertent violations, stating that fines can reach \$5,000 per day. He referenced his [presentation](#) (available on the Virginia Housing Commission [website](#)), highlighting that RPAs are not just obscure areas but can encompass residential properties where activities like placing a shed or altering landscaping could trigger violations. Referring to his presentation, **Clark** stated Option 1 (tax bill disclosure) is preferred over Option 2 (assessment notice, due to variability) or Option 3 (general notice) which he deemed to be less impactful.

Discussion & Questions

Josette Bulova, *Virginia Municipal League*, stated VML has no official position yet but is gathering information to discuss with members, noting the variety of assessment practices.

Monique Johnson, *Virginia Housing*, asked about the breakdown in the permitting process. **Senator Surovell** explained that homeowners might not realize a permit is needed (e.g., from a local Wetlands Board for riverfront changes) or that RPA restrictions apply even if an activity is below general land disturbance permit thresholds.

Outcome: A general consensus was observed regarding the concept of disclosure on tax assessments, with an understanding that refinement of the proposed language would be necessary.

HB 1709 (Gardner, 2025): Virginia Residential Landlord & Tenant Act; Landlord Obligations Regarding Tenant Access to Broadband Services

Delegate Debra Gardner introduced the concept behind HB 1709. She explained that the legislation was inspired by constituents in her "graying community" (76th District). In these communities, senior and long-term residents in multi-dwelling units faced new, mandatory bulk broadband service fees, sometimes exceeding \$80 per month, upon lease renewal. She asserted this forced some to relocate due to unaffordability. She stated that the bill aimed to provide tenants with an opportunity to opt-out, whether for financial reasons or because they had existing/preferred alternative services (e.g., cheaper cable/broadband). She stated the opt-out clause was the main sticking point in prior discussions. **Delegate Gardner** stressed that while broadband is essential, the bill's purpose was tenant transparency, choice, and preventing displacement due to new, unavoidable fees. **Chair Delegate Sewell** indicated a desire to reach a solution on this item during the current meeting.

Daniel Rezai, *Virginia Poverty Law Center*, spoke in support of Delegate Gardner's concept. He argued bulk billing removes competition and may not equate to savings (citing his T-Mobile home internet at \$40 per month versus \$100+ alternatives). He stated that bulk billing imposes internet costs on tenants who may not want or need that specific service and can deny access to low-income subsidies. Furthermore, he said that it may not meet

modern remote work requirements for upload/download speeds, potentially hindering employment. He defined bulk billing as the landlord contracting with an internet service provider (ISP) for all units and passing costs to tenants, either embedded in rent or as a separate fee.

Michael Pruitt (*H.O.M.E.*) also supported the bill. He defined bulk billing as two contractual relationships: landlord-ISP and landlord-tenant, with the bill addressing both. He stated landlords might use bulk billing to capture surplus value (e.g., an ISP charges the landlord \$1/unit, landlord charges tenants \$2 per unit, profiting \$1 per unit) effectively increasing rent covertly. He highlighted that bulk billing can prevent tenants from using subsidies like Xfinity/Cox's "Internet Essentials" program (typically \$10-\$30 per month). He characterized this as a source-of-funds violation, which he described as a form of class-based and often race-coded discrimination. He stated that it also impinges on tenant choice for those who desire no internet or require ultra-high-speed services.

*** A reminder was given to the speakers that the Virginia Housing Commission's focus is on the landlord tenant relationship, not different internet options. ***

Ray LaMura, *VCTA - The Broadband Association of Virginia*, stated that for the past decade, efforts have focused on broadband deployment and adoption. He asserted that bulk billing speeds are upgradable, Internet Essentials was not tied to litigation, and competition occurs at the initial landlord-ISP negotiation stage, resulting in significant savings for residents. He views the bill as a setback to Virginia's leading broadband policies and stressed the importance of broadband for telehealth and social connectivity, especially for seniors. He expressed opposition to the legislation but willingness to work on adoption and education initiatives.

Joe Weisner, *Xfinity Communities*, explained the "landlord responsible, tenant upgradable" model: a landlord contracts for a base speed (e.g., 200 Mbps), and individual tenants can pay an additional, reduced fee (e.g., \$15 extra) to upgrade (e.g., to 1 Gbps). ISP-landlord contracts are for 100% of units due to private property access agreements and bulk addendums. He stated that this allows for managed Wi-Fi and ubiquitous property-wide connectivity. He stated that while another provider *could* theoretically service a building (FCC rules prevent ISP exclusivity), the tenant would effectively pay double if already charged for the bulk service. He said that bulk rates are typically approximately 50% lower than retail. He estimated approximately 12% of multi-dwelling units (MDUs) have bulk billing, mostly not in affordable housing; Internet Essentials (\$15 per month) is offered in affordable communities. He stated that landlord rates are negotiated based on return on investment (ROI), taking into account factors such as build-out costs and contract term lengths. Weisner stated that opt-outs would impact the landlord (billed for 100%) and could lead to "dynamic surge pricing" if widespread, as the cost to deploy infrastructure is fixed. He noted that approximately 60% of prospective tenants inquire about internet capability and speed.

Discussion & Questions:

Christy Marra, *VPLC*, asked if upgrading speed costs tenants extra. **Weisner** confirmed it does, but at a reduced rate.

Laura Dobbs, *H.O.M.E.*, inquired whether other providers can operate in bulk-billed buildings or if it creates monopolies. **Weisner** responded that while not exclusive, the financial disincentive for tenants to pay twice is significant. **Dobbs** further asked about tenant access to subsidies with bulk billing. **Weisner** noted bulk agreements are less common in affordable housing complexes where subsidies are most prevalent.

Andrew Clark, *HBAV*, asked if bulk billing drives prices up. **Daniel Rezai**, *VPLC*, suggested it could be more expensive than alternatives. **Clark** mentioned he heard bulk packages could be as low as \$15 per month. **Delegate Gardner and Rezai** countered that landlords may not pass on full savings, with tenants reporting fees of \$80-\$90 per month.

Andrew Clark, *HBAV*, asked who is impacted if tenants opt out. **Weisner** stated the landlord is, as they are billed for 100% of units.

Monique Johnson, *Virginia Housing*, raised concerns about naturally occurring affordable housing and asked if a tiered system (e.g., 50% or 75% coverage) was an option for landlords. **Weisner** replied it is not.

Delegate McClure expressed concern for tenants qualifying for subsidies who cannot afford any fee. **Weisner** affirmed Xfinity is a proponent of adoption and reliable connectivity for opportunities, but acknowledged \$80 per month is a significant amount to pay monthly for service.

Christy Marra, *VPLC*, sought to confirm that ISP contracts with landlords are for 100% of units, a "take it or leave it" for the landlord. **Weisner** confirmed this is how reduced costs are achieved.

Randy Grumbine, *Virginia Manufactured and Modular Housing Association*, drew an analogy to other essential utilities (water, electricity, trash) where tenants cannot typically opt-out, and suggested internet is now an essential service. **Weisner** agreed, terming it an essential amenity that landlords use to attract tenants.

Laura Dobbs, *H.O.M.E.*, asked if ISPs are regulated as public utilities. **Weisner** stated they are not.

Delegate Gardner responded by thanking participants and reiterated her goal of finding a resolution. She agreed broadband is essential but stressed so is affordability. She asserted that tenants qualifying for free/reduced services should not pay twice and that the bill aimed for fairness and protection against tenant displacement due to unaffordable, unwanted fees.

Outcome: **Chair Delegate Sewell** noted that during the previous legislative session, legislators found it difficult to reach a consensus on the bill. Discussions had strayed into consumer protection issues alongside landlord-tenant issues, and complexities arose regarding state versus federal roles in ISP-landlord agreements. She proposed no action by the workgroup on this specific legislative proposal at this time. She recommended offline collaboration with Delegate Gardner to refine the specific problem and potential legislative solutions.

Discussion of Landlord/Tenant Issues: Fees for Rental Insurance

Director Elizabeth Palen introduced the topic, stating that in addition to the scheduled speaker, she had also heard from constituents of other senators regarding the same or similar issues.

Mr. Ryan Donmoyer, *a parent of a Virginia Tech University student*, shared his experience with a certain apartment complex. His daughter was subjected to a renters insurance compliance policy insisted upon by the apartment complex's chosen insurance company, despite having already procured her own insurance policy. **Mr. Donmoyer** detailed a months-long process of attempting to have their insurance policy recognized, which was repeatedly rejected for minor administrative discrepancies such as incorrect "interested party" listings, address variations, and differences in unit designation (e.g., "Unit 239-C" vs. "Apartment 239"). Despite efforts to correct these, they were continually billed for the complex's insurance policy. After filing a complaint with the SCC Bureau of Insurance, which indicated it could not intervene, and directly interacting with the complex's insurance policy, the independent insurance policy was eventually accepted and four months of the complex's insurance premiums were refunded.

Mr. Donmoyer observed that the complex's insurance policy was approximately 50% more expensive annually than his own policy and only protected the landlord's assets, not the tenant's personal property. He noted that renters' compliance insurance is marketed to landlords as a way to increase ancillary revenue. He also suggested that the difficulty tenants face in removing the unwanted policy appeared to be part of the apartment complex's insurance provider's business model. He questioned the appropriateness of the insurance provider quoting lease language and argued that tenants should not be forced into business with unwanted companies or face significant hurdles to use their preferred insurance.

Based on his experience, **Mr. Donmoyer** proposed several legislative considerations: first, that any imposed compliance policies be required to offer comprehensive tenant personal property protection. Second, he suggested mandating greater transparency and disclosure about policy coverage in plain language, explicitly advising tenants

that they can likely find better or cheaper alternatives. Finally, he advocated for making it easier for tenants to opt out of such policies by prohibiting "breadcrumbing hurdles."

Bismah Ahmed, *Apartment and Office Building Association of Metropolitan Washington*, stated AOBA promotes transparency and clarity. She indicated their members had not reported this as a widespread issue. She outlined that current Virginia law already stipulates that if a landlord obtains renters insurance on behalf of a tenant, they must: provide written notice of the tenant's right to secure their own policy; accept valid proof of separate coverage; offer a summary of the landlord-provided coverage; and ensure the tenant is listed as an insured party. She referenced [HB 2430](#) (sponsored by Del. Simon) from the 2025 General Assembly session, which requires all fees to be itemized and clearly listed at the beginning of the lease agreement. Ahmed stated that while landlords must accept valid tenant-provided insurance, she noted instances of tenants submitting incomplete documents, non-compliant coverage, or policies lapsing. Ms. Ahmed expressed openness to discussing best practices but believes existing law addresses many concerns and cautioned against overregulating a system that already has protections.

Outcome: Chair Delegate Sewell thanked the presenters, noting Mr. Donmoyer's outlined areas for potential state involvement. She acknowledged the willingness of parties to collaborate and ensure consistent interpretation of current law, indicating this would be revisited.

Public Comment

Hollis Brown, *Home Inspector, Owner of Home Inspector Training Academy, representing the Virginia Association of Real Estate Inspectors - VAREI* offered comments. He stated DPOR's insurance requirement for home inspectors is \$250,000 for General Liability, with no mandate for Professional Liability insurance. Thus, addressing issues through litigation leveraging insurance would require more than the morning's proposed legislation. He described the perceived conflict of interest between home inspectors and the real estate community as an overgeneralization with little validity in his decades of experience. He asserted that real estate agents desire thorough inspections by well-trained, proficient inspectors to avoid future surprises for buyers. He believes the solution lies in better training and experience for inspectors, suggesting a review of licensing laws rather than focusing on increased litigation. Chair Sewell requested Mr. Brown leave his contact information with staff for future discussion.

Adjournment

Chair Delegate Briana Sewell adjourned the meeting at 12:09 p.m.

The next full Virginia Housing Commission meeting will be held on July 15, 2025, at 10:00 a.m. in Senate Room C of the General Assembly Building.