



Meeting Summary
Local Rent Regulation Workgroup Meeting
Wednesday, June 10, 2026, at 10:00 a.m.
Senate Room B, General Assembly Building

Attendance

- **Members Present:** Sen. Mamie E. Locke, Sen. Lashrecse D. Aird, Del. Briana D. Sewell, Bismah Ahmed, Andrew Clark, Laura Dobbs, DJ Spiker, Zach LeMaster, Joe Lerch, Christie Marra, Isabel McLain, and Larisa Zehr.
- **Staff Present:** Director Jesseca Hoff, Molly Bowers, and Jacob Sztraicher.
- **Public Present:** Approximately 22 individuals.

Call to Order & Overview

Senator Mamie Locke called the meeting to order at 10:01 a.m. and initiated introductions for each workgroup member. Acknowledging the passion surrounding rent regulation, she established a hard stop for the meeting at 11:45 a.m. before inviting Delegate Clark to discuss his bill, HB278.

Legislative Overview

Delegate Clark presented HB278, a bill he stated to combat rent increase abuses and preserve affordable housing. Delegate Clark said that the enabling legislation operates as a local option, allowing but not forcing localities to implement rent regulations. He went on to say that some key features include specific landlord carveouts, a fair rate of return provision, and a 10-year new construction exemption added to address feedback from Hampton Roads landlords.

Staff Bill Study Presentation

Executive Director Jesseca Hoff presented the staff policy analysis, highlighting market data and structural comparisons:

- **Literature Review vs. Virginia Proposal:** While moderate "second-generation" rent stabilization policies show mixed results and do not consistently depress construction when controlling for socioeconomic factors, Staff classifies Virginia's proposal (HB278 & SB355) as a rigid framework rather than a moderate one. This rigidity stems from a strict 3% fixed cap with no dynamic inflationary buffer (unlike California's 5% + CPI or Oregon's 7% + CPI), shorter new construction exemptions, vacancy controls, and a lack of built-in housing provider exemptions.
- **Market Pressures:** Residential construction input costs rose 45.6% from 2020 to 2025, heavily impacting multifamily development. Meanwhile, housing affordability has sharply declined: nearly half of all renters in Virginia's largest MSAs (Richmond, Virginia Beach, Northern Virginia) are cost-burdened (spending over 30% of income on housing), and half of those are severely burdened (spending over 50%).
- **Eviction Dynamics:** Executed writs of eviction in Virginia saw a 3.7% increase from July 2023 to June 2025, climbing back to 89% of pre-pandemic levels.
- **Case Studies & Comparisons:** In 2025, multifamily residential permitting experienced a sharp decline in Montgomery County, Maryland (which enacted rent stabilization), while non-regulated Virginia localities like Arlington and Fairfax saw permitting increases. Nationwide, the National Apartment Association tracked 191 rent-control-related bills in 2026. Virginia's strict 3% fixed proposal most closely aligns with the rigid model of St. Paul, Minnesota.

Workgroup Discussion & Q&A

Following the presentation, workgroup members engaged in a comprehensive Q&A session with Executive Director Hoff:

- **Laura Dobbs** raised concerns regarding potential 5th Amendment "takings" claims, noting that the Supreme Court primarily focuses on physical rent regulation takings and that treating this regulatory framework as a violation remains an unproven legal theory without strong case law.
- **Jesseca Hoff** clarified that the 5th Amendment mention was not a formal legal conclusion but an economic concern mentioned throughout the literature, so worth including in the report. She noted a recent Washington D.C. case was included in the report's text.
- **Joe Lerch** inquired about the bill's intersection with SB74 and expiring affordable housing units. He noted that over the next 10 years, approximately 37,000 LIHTC (Low-Income Housing Tax Credit) units in Virginia will lose their affordability restrictions. He highlighted that the General Assembly passed a Right of First Refusal (ROFR) bill to mitigate this.
- **Jesseca Hoff** confirmed that targeted rent caps on expiring LIHTC properties (similar to 3-year transitional caps used in Michigan and Massachusetts) are common initial steps states take.
- **Christie Marra** pointed out that the bill's Net Operating Income (NOI) formula fails to factor in initial rent setting or individual debt structures. Hoff agreed that debt servicing varies too significantly on an individual landlord level to easily standardize.
- **Marra and Larissa Zehr** discussed Montgomery County's provision blocking rent-increase exemptions for properties with unresolved code violations. Zehr shared data showing this provision led to a 69% decrease in properties flagged with severe code violations within a single year, as landlords moved quickly to resolve issues to qualify for authorized rent adjustments.
- **Zach LeMaster** requested clarification on local staffing demands. Hoff explained that based on a recalibrated Montgomery County baseline, an estimated 4.5 Full-Time Employees (FTEs) would be required to manage administrative arbitration, data tracking, and investigations per 10,000 covered units. LeMaster commented that because the General Assembly has already passed substantial, staggered tenant protections and supply-side measures over the past five years, adding local rent boards creates an undue administrative and cost burden on landlords who are navigating an shifting regulatory landscape.
- **Christie Marra** countered LeMaster, clarifying that because HB278 is strictly enabling legislation, it imposes zero immediate burdens on landlords and simply opens a pathway for localized, community-driven discussions before any policy is formally enacted.
- **Laura Dobbs** inquired if the study reviewed RealPage data, multifamily property overvaluation, or how much property tax increases directly drive up rent. Hoff responded that these variables were outside the scope of the current study. Dobbs also asked if artificial price constraints create tenant "misallocation" (where tenants stay in oversized units due to capped rent).
- **Bismah Ahmed** highlighted that multiple jurisdictions pair rent stabilization with lower property tax assessments to offset landlord losses and questioned the exact startup costs required for smaller Virginia localities to launch these enforcement programs.
- **DJ Spiker** cautioned that even without local enactment, enabling legislation creates immediate financial uncertainty. He cited a Tufts University study showing an immediate 6% decline in local property values following the mere threat of rent regulation.
- **Isabel McLain** emphasized that while public investment in affordable housing is a primary driver, local entities desperately need interim regulatory tools to handle severe, localized rent gouging.
- **Larissa Zehr** agreed, noting that the City of Alexandria currently holds over 300 Housing Choice Vouchers (HCVs) that cannot be utilized because area market rents heavily outpace federal reimbursement caps. She asked for confirmation on whether property taxes, utilities, and maintenance are factored into Fair Return on Investment (FROI) operating costs, noting capital improvements are typically handled via separate board exceptions.

Public Comment

- **Delegate Clark** reemphasized that local governments strongly favor having this policy option. Addressing economic uncertainty, he noted that tenants bear the brunt of market instability, sharing a personal experience where a sudden 10% rent increase forced him to vacate his home.

- **Kashish Pillai (New Virginia Majority):** Argued that tenants must be centered in housing studies. Pillai stated that Richmond's high eviction rates stem from a lack of market oversight and minimal tenant bargaining power, which she said necessitate strong regulatory boundaries.
- **Christian Martinez (We are CASA):** Shared testimony regarding immigrant families caught between predatory housing practices and aggressive immigration enforcement. Martinez condemned data-sharing agreements between HUD and DHS that leverage housing records to track immigrant status, stating that families are entirely out of options.
- **Annika Schunn (HOME):** Discussed the complex dynamics of zoning reform in Richmond. She stated that while zoning expands housing supply, low-income tenants frequently face immediate displacement from hyper-local rent hikes and gentrification when new developments arrive. Schunn stated housing must be treated as a fundamental right first and an investment second.
- **Eric Chavez (Child & Local Resident):** Stated that the presentation emphasized landlords over families, and shared that uncontrolled rent hikes threaten to strip away children's stability and detach families from their communities.
- **Josue Castillo (RVA Renter):** Expressed love for the community but detailed widespread housing distress, noting an estimated 700 unhoused individuals in Richmond on any given night. Castillo reported that high costs are forcing low-income families to double up or survive on couches.
- **David Tisel (Legal Aid Attorney):** Warned that a blanket exemption for small landlords would create a severe loophole. Tisel stated that in Richmond, large housing providers routinely structure properties into webs of individual LLCs to masquerade as small landlords. Tisel suggested a streamlined alternative: abandon partial exemptions and instead establishing a higher, more flexible rent cap tied to the CPI (similar to Washington D.C.'s structure) to make implementation practical for local boards.

• **Adjournment & Next Steps**

Senator Locke thanked the attendees and workgroup members for the substantial dialogue, acknowledging the depth of the ongoing housing crisis.

The workgroup will vote on whether to recommend or endorse rent regulation legislation to the full Virginia Housing Commission during its next scheduled session. The meeting officially adjourned at 11:20 a.m..