Office of the Attorney General of Virginia Attn: Mr. Jason Miyares, Esq., Attorney General 202 North 9<sup>th</sup> Street Richmond, Virginia 23219

RE: Request that the Commonwealth of Virginia join the plaintiffs in re: United.States?et.al.vj.RealPage.Inc?et.al;

## Mr. Miyares:

On behalf of the Alexandria City Council, I write to you to express our interest in and the importance of the Commonwealth of Virginia joining the Department of Justice's ("DOJ") antitrust lawsuit against RealPage and five of the nation's largest landlords. This effort to combat these company's unlawful participation in algorithmic pricing schemes which have caused serious harm to renters is critical to Virginians and local economies. As you know, our nation is in an affordable housing crisis and those effects are felt deeply throughout the Commonwealth of Virginia. The pain is especially acute here in Northern Virginia. Average rent prices continue to skyrocket making it challenging for individuals and families to keep up.

More than 7,000 households in Alexandria are severely burdened or spending more than half the household income on rent. The implications of annual rent increases for our families are profound, making the local rental market unaffordable for many working households that are the backbone of our economy and, for whom, commuting to jobs here would be an additional economic hardship.

In addition to rent increases determined through an algorithmic pricing model, Alexandria families are further housing cost burdened by the shifting of utility, amenity, parking, and other excessive fees imposed, beyond basic rent. Most recently, we have seen several properties institute fees for internet access, even though most households have wireless service plans already in place. or may qualify for discounted or free internet service. As costs go up with every lease renewal, families are faced with impossible choices, putting household stability and their children's educational attainment at risk.

While Virginia's 2020 adoption of legislation protecting source-of-income commendably widened private market opportunities for voucher holders, those seeking to secure rental housing sometimes experience that advertised prices that are within the

housing authority's payment standards when the household applies for an apartment and makes a deposit, have risen above the payment standard by the time their paperwork is processed by the authority. In two cases last summer, hard to serve households (one with a disabled family member and the other with several children necessitating a three-bedroom unit experienced periods of homelessness during the transfer process as a result of dynamic pricing when their move-ins could not be completed as planned because the price of the unit for which they applied rose during the processing period. Compounding housing insecurity with the economic burden of losing deposits illustrates how hard collusive price practices hit some of Alexandria's most vulnerable households.

The DOJ lawsuit, which we are urging that the Commonwealth join, alleges that the defendant landlords, who operate more than 1.3 million units in 43 states including the Commonwealth of Virginia, have over the course of time worked together in an unlawful scheme to decrease competition among landlords in apartment pricing and coordinate to keep prices high. This has disrupted the normal competitive bargaining process between landlords and renters, resulting in serious harm in the form of higher rent to Virginians and communities here in the Commonwealth. It is the Alexandria City Council's desire that the Commonwealth of Virginia join the Attorney Generals of California, Colorado, Connecticut, Illinois, Massachusetts, Minnesota, North Carolina, Oregon, Tennessee, and Washington, to address this issue head on in our courts.

The City of Alexandria continues to support all efforts at the state and local levels to ensure that residents have access to affordable and quality housing unfettered by monopoly or algorithmic collusion. The health of our communities depends on the existence of a level and fair playing field which allows people to live, work, play, and grow their families in safe, affordable housing. To the extent that the Commonwealth of Virginia can ensure that landlords are operating within the bounds of the law, we urge you to do so.

I welcome the opportunity to discuss this matter further with you to advance our shared goals of fostering a thriving marketplace and protecting our residents from illegal activities.

Sincerely,

Alyia Gaskins Mayor

cc: Alexandria City Council
Jim Parajon, City Manager