

City of Salem, Massachusetts



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City Ordinance Sections 2-2028 through 2-2033."**

The City Council Committee on Community & Economic Development ci-posted with the Committee of the Whole

will met in the Council Chamber on July 6, 2026 at 6:00 PM

for the purpose of discussing the matters(s) listed below. Notice of this meeting was posted on

June 29, 2026 at 9:47 A.M.

(This meeting is being recorded)

ATTENDANCE

CED – Prosniewski (chair), King, Smith (left prior to public comment), Sydoriak, and Holappa. **COW** – Davis, Merkl, Turowski and Flynn. **Homes for All Massachusetts** – Carolyn Chou.

ABSENT WERE: **COW** – Hapworth and Varela.

SUBJECT(S)

#362 Rent Stabilization Resolution

Prosniewski – King will give us some background on this proposed resolution and then we will have a presentation by Carolyn Chou from Homes for All Massachusetts.

King - I urge support for rent stabilization resolution as a way to protect tenants and preserve Salem's community. The resolution, which was previously read in full and will be read again at the next City Council meeting if it advances, outlines the city's growing housing affordability crisis. Over the past five years, average rents in Salem have increased by nearly 35%, with more than half of renter households spending over 30% of their income on housing and 30% spending more than half of their income on rent. These rising costs contribute to housing instability and force longtime residents to leave the community.

The resolution expresses support for pending Massachusetts legislation that would repeal the statewide ban on rent stabilization and allow cities and towns to decide locally whether to adopt such policies. While I personally support rent stabilization, the resolution is fundamentally about restoring local control. Municipalities should have the authority to determine their own housing policies regardless of individual views on rent stabilization itself.

Presentation -

Carolyn Chou from Homes for All Massachusetts described the state's housing affordability crisis, emphasizing that rising rents are displacing residents in communities across Massachusetts, from the North Shore to Western Massachusetts and Cape Cod. She cited data showing that more than half of renters spend over one-third of their income on housing, while a household needs an annual income of approximately \$93,000 to afford a two-bedroom apartment statewide with an even higher threshold in Eastern Massachusetts. Chou also highlighted the disproportionate impact on people of color, framing housing affordability as both an economic and racial equity issue.

Chou stressed that rent stabilization is not intended to be a standalone solution to the housing crisis but rather one of many tools needed alongside increased housing production, zoning reform, and expanded affordable housing. She argued that while building more housing is essential, tenants facing steep rent increases, no-fault evictions, and housing instability cannot wait years for new development to address the crisis. She also pointed to related challenges, including pressure on the state's shelter system, foreclosures, and the ongoing loss of longtime residents from their communities.

Chou's presentation outlined the coalition's legislative campaign to restore local authority over rent stabilization. Although a statewide ballot initiative was removed from the ballot by the Massachusetts Supreme Judicial Court on procedural grounds, Chou said it generated significant public support and awareness, collecting roughly 200,000 signatures. The coalition is now focused on legislation that would repeal the statewide ban on rent control and allow municipalities to adopt local rent stabilization policies if they choose. The proposed bill would limit annual rent increases to the cost of living with a 5% cap, exempt owner-occupied buildings with four or fewer units and newly constructed housing for five years, and prohibit no-fault evictions.

Chou also described ongoing negotiations with housing developers, real estate organizations, nonprofit housing providers, and state officials that resulted in a proposed compromise framework. A compromised approach would allow annual rent increases of inflation plus 5%, capped at 10%, extend the exemption for new construction to 15 years, and permit larger rent increases between tenants while strengthening protections against no-fault evictions to discourage landlords from removing tenants solely to raise rents. Additional provisions would clarify exemptions for subsidized housing and procedures for landlords seeking above-cap increases for capital improvements.

In closing, Chou emphasized that the exact details of the legislation remain open to negotiation, but argued that the core issue, protecting tenants from unaffordable rent increases while giving cities and towns the option to adopt rent stabilization, should remain a legislative priority. She stated that maintaining local authority and keeping the conversation active are essential steps toward addressing the state's ongoing housing affordability crisis.

Discussion –

The discussion clarified that S1447/H2328 serves as the current legislative vehicle for advancing rent stabilization in Massachusetts. While the bill reflects the original proposal, lawmakers are continuing to negotiate potential compromise provisions, which could be incorporated as amendments to the bill or emerge through another legislative vehicle as the State House process moves forward. The Senate version of the bill has recently advanced out of committee to the Senate Ways and Means Committee.

Chou also highlighted recent progress, noting that Senator Joan Lovely has co-sponsored the bill, reinforcing her support even after the statewide ballot initiative was removed from consideration. While avoiding speaking on the senator's behalf, Chou said Senator Lovely, like other legislative supporters, appears open to compromise measures that would help advance local-option rent stabilization legislation.

The discussion focused on clarifying details of the proposed compromise rent stabilization framework, including exemptions and how a future local-option system might operate. Chou explained that exemptions for owner-occupied buildings with four or fewer units, short-term rentals, religious institutions, dormitories, and certain elder care facilities would remain in place because they are viewed as fundamentally different from traditional rental housing. They emphasized that the policy is intended to protect tenants from extreme rent increases while preserving flexibility for homeowners and small landlords who rely on rental income to maintain their properties.

Councilors asked how much authority municipalities would have if the state lifted the ban on rent stabilization. The response suggested that cities and towns would likely adopt a standardized framework rather than creating dozens of entirely different systems, allowing the state to provide guidance and consistent regulations while still giving communities the option to opt in. Chou also explained that the compromise proposal is not yet a formal bill but

represents ongoing negotiations among tenant advocates, developers, and legislators, with the existing legislation serving as the primary vehicle that could still be amended as it moves through the State House.

Several councilors raised concerns about unintended consequences, including reduced housing production, deferred maintenance by landlords, condo conversions, and landlords raising rents preemptively in anticipation of future limits. Chou argued that modern rent stabilization proposals differ significantly from older rent control systems and are designed to provide predictability while still allowing reasonable increases tied to inflation. She also noted that the legislation includes provisions intended to prevent landlords from sharply increasing rents immediately before a policy takes effect.

A recurring theme throughout the discussion was local control. Multiple councilors said they were not yet certain whether they would ultimately support rent stabilization itself, but they believed municipalities should have the authority to evaluate data, consider local conditions, and decide whether such policies make sense for their communities. The councilors in support argued that lifting the statewide ban would allow cities like Salem to explore all available tools to address housing affordability without committing to any specific policy today.

The conversation also highlighted differing interpretations of the research on rent stabilization. Some councilors cited studies suggesting that inflation-based rent stabilization has little long-term impact on housing production, while others cautioned that Salem must carefully examine potential effects on development, property owners, and affordability. Overall, there was broad agreement that the housing crisis is severe and that any future policy would need to balance tenant protections, housing production, affordability, and the realities facing both renters and landlords.

Proposed Amendments –

Councilor King proposed amendments to make the resolution more flexible and better reflect the evolving legislative process. The primary amendment would remove the specific language capping annual rent increases at **5%** and replace it with language supporting a formula based on the Consumer Price Index (CPI), allowing the final legislation to determine the exact cap while maintaining the principle that rent increases should be tied to inflation.

She also suggested broadening the resolution's reference to the pending legislation. Rather than specifically naming the current bill, she proposed revising the language to express support for Massachusetts legislation establishing local-option rent stabilization, recognizing that the bill could be amended or replaced as it moves through the State House. The goal of the amendments was to keep the resolution focused on supporting local control and rent stabilization generally, without tying the City Council to the exact language of a bill that is still being negotiated.

Additional Discussion –

The committee discussion centered on balancing the need for tenant protections with concerns about housing production and the evolving nature of the proposed state legislation. Councilors debated research on rent stabilization, with some citing studies that suggest rent regulation can reduce housing quality, discourage new construction, and lead to condominium conversions, while supporters argued that those findings largely reflect older rent control models and may not apply to modern, inflation-based rent stabilization policies. Chou emphasized that the proposal under consideration is intended to complement, not replace, housing production efforts and should be evaluated based on similar policies recently adopted in other states and municipalities.

Several councilors expressed support for advancing the resolution because it simply asks the Legislature to restore local authority over rent stabilization rather than adopting a specific policy. They argued that Salem should have the opportunity to determine what works best for its own housing market after the Legislature completes its work. Supporters also stressed that rent stabilization is one tool among many needed to address the housing crisis, alongside zoning reform, increased housing production, transportation improvements, and anti-displacement

measures. Councilor King noted that the legislation's progress to the Senate Ways and Means Committee demonstrates growing momentum and argued that now is an appropriate time for Salem to signal its support for local control.

Other councilors remained skeptical, questioning whether the city should endorse legislation whose final language has not yet been determined. They expressed concern that adopting a resolution before a final bill exists could weaken the value of council resolutions and argued that the city should instead wait until a specific proposal is available for review. Some also maintained that increasing housing supply remains the most effective long-term solution to affordability and cautioned that poorly designed rent stabilization policies could discourage investment and worsen the housing shortage.

The discussion also addressed the role of corporate real estate investors in driving rent increases. Chou distinguished between large institutional investors purchasing existing multifamily properties and developers constructing new housing, noting that these are separate but related issues. While acknowledging the need for additional research, Chou cited regional studies indicating that corporate ownership has become increasingly common in some housing markets and contributes to higher rents and tenant displacement.

Overall, the discussion reflected broad agreement that Salem faces a serious housing affordability crisis, but differing views on the best policy response. Supporters viewed the resolution as a way to preserve local decision-making and expand the city's policy options, while opponents argued that the Council should wait for a clearly defined legislative proposal before formally expressing its support.

Public Comment Summary -

During public comment, the overwhelming majority of speakers expressed support for the resolution, arguing that Salem should urge the state to restore local authority over rent stabilization. Many emphasized that the resolution does not implement rent stabilization itself but simply gives municipalities the ability to decide whether to adopt such policies. Speakers repeatedly described the housing crisis as an urgent issue that requires multiple solutions, with rent stabilization serving as one tool alongside increased housing production, zoning reform, and other affordability measures.

Several residents shared personal experiences with housing insecurity and rising rents. Speakers recounted being forced to move repeatedly because of annual rent increases, struggling to afford basic necessities while paying rent, watching family members and friends leave Massachusetts due to housing costs, and witnessing longtime Salem residents displaced after buildings changed ownership. Others described growing up in overcrowded housing or experiencing homelessness, arguing that housing stability is essential for preserving Salem's diverse, working-class community.

Supporters also challenged arguments that rent stabilization would significantly reduce housing production or discourage property maintenance. Some cited academic research suggesting that modern rent stabilization policies tied to inflation have little long-term effect on new construction, while distinguishing them from older rent control systems. Others argued that the housing market has changed dramatically since the COVID-19 pandemic and that rising rents are increasingly driven by speculative investment and market pressures rather than operating costs alone.

While broadly supportive of the resolution's goal, a few speakers urged the Council to amend or broaden the language. They expressed concern that the resolution specifically references the current legislative bill, which they viewed as more restrictive than the compromise language currently under discussion. These speakers encouraged the Council to instead endorse local control over rent stabilization more generally while also advocating for complementary housing policies, including zoning reform, parking reform, higher-density housing, streamlined permitting, and other state legislation designed to increase housing production.

Overall, public comment reflected broad agreement that Salem faces a serious housing affordability crisis and that local communities should have greater authority to respond. Supporters urged the Council to pass the resolution as a statement to the Legislature that cities and towns deserve the option to consider rent stabilization, while others encouraged refining the resolution to better balance tenant protections with continued housing production and long-term affordability.

Note: Smith left due to a family matter.

The committee approved two amendments before voting to advance the resolution. The first amendment removed the specific 5% cap on annual rent increases and replaced it with broader language supporting rent increases based on a formula tied to the Consumer Price Index (CPI), making the resolution flexible enough to accommodate changes to the legislation as it moves through the State House. Motion by King and seconded. Motion carries 4–0.

The committee then approved a second amendment to broaden the resolution's support for state legislation. Rather than referencing a specific bill by title, the amended language expresses support for legislation lifting the statewide ban on rent stabilization, reflecting that the final legislative vehicle or language may change during the legislative process. This is the last sentence on the first page of the resolution. They also remove the “the” before legislation in the same sentence. Motion by King and seconded. Motion carries 4–0.

Following the amendments, King moved to recommend the amended resolution to the full Council with a positive recommendation. During discussion, supporters said the amendments strengthened the resolution by focusing on the principle of local control rather than a specific bill whose language is still evolving. Councilor King thanked fellow councilors for a productive committee discussion, noting that the collaborative process had improved the resolution.

The committee then voted to send the amended resolution to the full Council with a positive recommendation, where it will be considered at the next council meeting. Motion carries 3–1.

On the motion of C. King, the meeting adjourned at 8:01 P.M.



MBC

(Chairperson)