



Why **Prop 33** Is Terrible for All Rental Housing Owners in California

In November 2024, voters in California will make a critical decision regarding the Costa-Hawkins Rental Housing Act, a state law that provides safeguards against extreme forms of rent control in the Golden State.

Enacted in 1995, Costa-Hawkins provides exemptions from rent control for specific properties, like single-family homes and apartments built after February 1995. In cities with a rent control ordinance that existed prior to Costa-Hawkins, it prohibits rent control on any apartments built after the date of the original local rent control law. Additionally, it safeguards vacancy decontrol, allowing landlords to adjust rents to market rates after a tenant vacates.

Prop 33 seeks to repeal Costa-Hawkins entirely, allowing for strict rent control on all types of housing, including single-family homes and all apartments in California, no matter the age of the building.

Prop 33 is funded by Michael Weinstein, the controversial leader of AHF. This is his third attempt to advance his anti-housing agenda; the previous two attempts were defeated due to CAA's efforts. Furthermore, Weinstein's initiative would erode our existing statewide rent stability law and hamper the construction of affordable housing, exacerbating California's housing crisis.

The measure provides that:

"The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control."

WHAT WEINSTEIN'S PROP 33 DOES:

- Repeals existing California housing laws.
- Authorizes permanent price controls on single-family homes, condominiums, and apartments.
- Provides local governments with the ability to hinder housing development.

DON'T THINK PROP 33 WOULD AFFECT YOU?

Perhaps you're not worried about Prop 33 because the city where you own rental property doesn't have rent control at present. Or perhaps you already are under rent control in San Francisco or Los Angeles and think things can't get any worse. Or maybe you own a single-family rental, or an apartment building constructed just three or four years ago and believe your housing will be forever exempt under state law. Prop 33 presents significant potential changes that could affect all rental property owners.

FIVE REASONS TO BE WORRIED:

- 1. Broadening of rent control to include exempt properties:** Currently exempt properties, such as single-family homes and recent construction, could fall under rent control if the act passes, significantly altering the business expectations for many who believed their investments were safeguarded.



2. Increased drive for rent control in more areas:

Tenant activists have brought rent control to more California cities in recent years. Prop 33's passage would further motivate them to pursue rent control in cities that currently have none. This would lead to new rent control measures in areas previously unaffected.

3. Heightened impact in rent controlled cities with vacancy control:

In cities with existing rent control, the removal of Costa-Hawkins would allow a return to vacancy control. This means that rents would be capped even when a tenant moves out and a new tenant moves in, leaving the owner unable to move rents to market. This would dramatically reduce the flexibility to adjust rents between tenancies. Imagine never being able to bring your rents to market rates.

4. Policy shift and market instability: Prop 33 would mark a broader shift toward more stringent housing regulations, bringing uncertainty to the rental housing market and affecting long-term investment decisions.

5. Adverse effects on property values and market dynamics: Prop 33 would lower property values and discourage new housing development, aggravating the housing shortage and leading to a stagnant rental market.

Prop 33 presents significant challenges for rental housing owners in California, threatening to disrupt market dynamics and exacerbate the housing crisis. It is imperative for stakeholders to act now and join the coalition to defeat Prop 33.

SAY NO TO PROP 33!

STOP WEINSTEIN'S LATEST ANTI-HOUSING SCHEME

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NoOnProp33.com



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