

Read the full proposition here:

Allows regulation of single family homes

Prop 10 allows government to dictate pricing for privately owned single-family homes, controlling how much homeowners can charge to rent out their home – or even just a room. It may even lead to bureaucrats charging homeowners a fee for taking their home off the rental market.

HOW WE KNOW:

[Legislative Analyst's Office analysis of Prop 10 \(A.G. File No. 2017-041\), December 12, 2017](#)

In 1995, the Legislature enacted the Costa-Hawkins Rental Housing Act (Costa-Hawkins), which placed limitations on locally enacted rent control laws. Specifically, Costa-Hawkins prohibited local rent control rules from applying to housing first occupied on or after February 1, 1995 and single-family homes.

. . . The measure repeals Costa-Hawkins. Under the measure, cities and counties can regulate rents for all types of housing regardless of age. They also can regulate how much a landlord may increase rents between tenants.

Places bureaucrats in charge of housing with the power to add additional fees

Prop 10 puts as many as 539 rental boards in charge of housing and gives government agencies unlimited power to add fees on housing that will be passed on to tenants in the form of higher rents – making homes and apartments even more expensive.

HOW WE KNOW:

[Legislative Analyst's Office analysis of Prop 10 \(A.G. File No. 2017-041\), December 12, 2017](#)

Rent control laws typically are administered by local rent boards, which are funded through fees on regulated property owners.

. . . Depending on actions taken by local governments, these costs could range from minimal to tens of millions of dollars per year. These costs likely would be paid by fees on owners of rental housing.

Adds tens of millions in new costs to local governments

The state's non-partisan legislative analyst says Prop 10 could increase costs for local governments by tens of millions of dollars per year and cost the state millions more in lost revenue, which could mean diverting funds from other vital state services.

HOW WE KNOW:

[Legislative Analyst's Office analysis of Prop 10 \(A.G. File No. 2017-041\), December 12, 2017](#)

Increased Local Government Costs. *If cities with existing rent control policies elect to significantly expand the number of regulated units, they likely would face increased administrative and regulatory*

costs. Similarly, if other communities respond to the measure by adopting new rent control regimes, they would face new administrative and regulatory costs. Depending on actions taken by local governments, these costs could range from minimal to tens of millions of dollars per year.

Leads to legal confusion

Prop 10 includes different definitions of “landlord” and “owner” that will lead to legal confusion across the state’s 539 cities and counties and take years to work out in court.

HOW WE KNOW:

REPEALS existing definition of “owner” (Civil Code 1954.51 (b)):

“Owner” includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent.

REPLACES “owner” with “landlord” in the new law without defining what it means:

. . . Adopt a local charter provision, ordinance or regulation that governs a **landlord’s** right to establish and increase rental rates . . .

BUT DOES NOT REPEAL all of Costa Hawkins references to “owner”—a term that will no longer be defined:

1954.535. Where an **owner** terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for rent limitations to a qualified tenant, the tenant or tenants who were the beneficiaries of the contract or recorded agreement shall be given at least 90 days’ written notice of the effective date of the termination and shall not be obligated to pay more than the tenant’s portion of the rent, as calculated under the contract or recorded agreement to be terminated, for 90 days following receipt of the notice of termination or nonrenewal of the contract.

Drives up the cost of existing housing

Prop 10’s new government fees and regulations will give homeowners a huge financial incentive to convert rental properties into more profitable uses like short-term vacation rentals, increasing the cost of existing housing and making it even harder for renters to find affordable housing in the future.

HOW WE KNOW:

[Legislative Analyst’s Office analysis of Prop 10 \(A.G. File No. 2017-041\), December 12, 2017](#)

Conversion of Rental Housing to Ownership Housing. Owners of rental housing subject to rent control are more likely to convert their properties to condos or other forms of ownership housing. This results in fewer homes being available for rent and more being available for purchase.

Reduces the quality of housing

HOW WE KNOW:

LAO, [Perspectives on Helping Low-Income Californians Afford Housing](#), February 9, 2016

Declining Quality of Housing. By depressing rents, rent control policies reduce the income received by owners of rental housing. In response, property owners may attempt to cut back their operating costs by forgoing maintenance and repairs. Over time, this can result in a decline in the overall quality of a community’s housing stock.

Prevents the legislature from adopting future tenant protections

Prop 10 handcuffs the State Legislature from adopting future statewide tenant or property owner protections.

Puts taxpayers at risk for millions in legal costs

Prop 10 requires California taxpayers to pay the proponents of the initiative's legal bills if homeowners, tenants or voters challenge the law in court. Even if the proponents lose in court, taxpayers will still be on the hook to pay their legal bills.

Affordable Housing Act

The People of the State of California do hereby ordain as follows:

Section 1. Title.

This Act shall be known and may be cited as "Affordable Housing Act."

Section 2. Findings and Declarations.

The People of the State of California hereby find and declare all of the following:

- a) Rents for housing have skyrocketed in recent years. Median rents are higher in California than any other state in the country, and among all 50 states, California has the 4th highest increase in rents.
- b) Research by Apartment List indicates that the median rent for a one-bedroom apartment in California is \$1,410, an increase of 4.5% in just one year. A one-bedroom apartment in Los Angeles costs \$1,350 per month. In San Francisco, it costs \$2,450. In San Diego, the cost is \$1,560.
- c) The federal government has concluded that rent is not affordable if renters spend more than 30% of their income on housing costs. The State of California has found that more than half of California renter households (3 million) pay more than 30% and one-third of renter households (over 1.5 million) pay more than 50% of their income toward rent.
- d) According to the National Low Income Housing Coalition, a Californian earning minimum wage would have to work 92 hours per week in order to afford to rent an average one-bedroom apartment.
- e) More Californians (5.8 million households) are renting than ever before, because overall home ownership rates in California have fallen to their lowest level since the 1940s, according to the state. One quarter of older millennials (25-34 years of age) still live with their parents. (U.S. Census Bureau)
- f) Statewide labor unions, such as California Nurses Association, Service Employees International Union and the California Teachers Association, have made affordable housing a priority for their members. For example, teachers in California's urban centers are paying 40% to 70% of their salaries on housing and many are being forced to live an hour or more from their jobs in order to afford a home.

g) Three times as many Californians are living in overcrowded apartments as compared to the U.S. as a whole. (U.S. Census Bureau)

h) Even though the state represents only 12% of the total U.S. population, California is home to 22% of the nation's homeless population. (California Department of Housing and Community Development)

i) Homelessness is a major public health issue. People who are homeless are 3 to 4 times more likely to die prematurely and are more likely to have a communicable disease, according to the National Health Care for the Homeless Council.

j) The Centers for Disease Control and Prevention warn that vulnerable populations face lower life expectancy, higher cancer rates and more birth defects when their homes are displaced due to the gentrification of their neighborhoods.

k) The increased cost of housing is worsening traffic congestion and harming the environment by forcing commuters to live farther away from their places of employment and increasing commute times. A report by the Pew Charitable Trust noted that the number of Californians who commute more than 90 minutes each way increased by 40% between 2010 and 2015; the increase is a direct result of the dearth of affordable housing near jobs.

l) A major factor in California's housing crisis is a 20-year-old law known as the Costa-Hawkins Rental Housing Act. Costa-Hawkins gives permission to landlords of residential apartments and houses to raise rents as much as they want in buildings built after 1995; despite local laws that would otherwise prohibit such increases, landlords in Los Angeles can raise rents as much as they want on buildings built after 1978 and in San Francisco, on buildings built after 1979.

m) Costa-Hawkins also allows a landlord to raise the rent in any building built before 1995 to the market value when it becomes vacant, and lets the landlord decide what market value is.

n) Costa-Hawkins prevents cities from implementing laws that keep rents affordable for their residents.

Section 3. Purposes and Intent.

The People of the State of California hereby declare the following purposes and intent in enacting this Act: a) To restore authority to California's cities and counties to develop and implement local policies that ensure renters are able to find and afford decent housing in their jurisdictions.

b) To improve the quality of life for millions of California renters and reduce the number of Californians who face critical housing challenges and homelessness.

c) To repeal the Costa-Hawkins Rental Housing Act.

Section 4. Affordable Housing Act shall be codified by repealing the following sections of the Civil Code:

Sections 1954.50, 1954.51, 1954.52 and 1954.53 of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code are repealed.

Section 5. Affordable Housing Act shall be further codified by adding the following section to the Civil Code:

Section 1954.54. (a) A city, county, or city and county shall have the authority to adopt a local charter provision, ordinance or regulation that governs a landlord's right to establish and increase rental rates on a dwelling or housing unit. (b) In accordance with California law, a landlord's right to a fair rate of return on a property shall not be abridged by a city, county, or city and county.

Section 6. Liberal Construction

This Act shall be broadly construed to accomplish its purposes.

Section 7. Amendment and Repeal

Pursuant to Article II, Section 10, Subdivision (c), of the California Constitution, the Legislature may amend this Act to further its purposes by a statute passed in each house by roll call vote entered in the Journal, two-thirds of the membership concurring, signed by the Governor. No statute restricting or eliminating the powers that have been restored by this Act to a city, county, or city and county to establish residential rental rates shall become effective unless approved by a majority of the electorate.

Section 8. Severability

If any provision of this Act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 9. Conflicting Measures

In the event that this Act and any other measure addressing the authority of local government agencies to establish residential rental rates shall appear on the same statewide election ballot, the provision of the other measure or measures shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes than another measure deemed to be in conflict with it, the provisions of this Act shall prevail in their entirety, and the other measure or measures shall be null and void.

Section 10. Legal Defense

Notwithstanding any other provision of law, if the State, a government agency, or any of its officials fail to defend the constitutionality of this Act, following its approval by the voters, the proponents shall have the authority to intervene in any court action challenging the constitutionality of this Act for the purpose of defending its constitutionality, whether in state or federal court, and whether such action is in any trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the California Department of Justice, which shall be satisfied promptly.

Section 11. Effective Date

Except as otherwise provided herein, this Act shall become effective the day after its approval by the voters.