



RENT CONTROL

ISSUE

California is experiencing an unprecedented housing crisis. Skyrocketing costs are crushing California families, who are finding it harder and harder to find a safe, affordable place to live.

Unfortunately, many people feel that rent control is the best solution to this crisis. However, rent control is a flawed approach that would only make our current housing crisis worse. It would lead to less affordable housing being built, create incentives for current landlords to take existing rental properties off the market, and make it harder for those looking for affordable housing.

BACKGROUND

Proposition 10 was a state initiative that was on the ballot in 2018. If passed, it would have allowed local jurisdictions unlimited ability to implement rent control. The initiative failed to pass with nearly 60% of Californians voting NO.

Top economists from around the country have shown how solutions like those offered by Prop. 10 have failed, time and again. In its analysis of Prop. 10, the State's nonpartisan Legislative Analyst's Office warned that Prop. 10 could hurt homeowners by driving down property values. That's because

Prop. 10 would have opened the door to rental caps on single family homes, as well as radical rent control proposals that would keep price controls in place, even after a tenant moves out.

Rent control also puts new pressure on the housing market, and on state and local governments which could see a shortfall of up to hundreds of millions of dollars if rent control measures are passed. That means less money for key public services like education, healthcare and public safety, and more pressure to increase taxes to make up the shortfall.

What's worse, studies show that most of the economic benefits of rent control would go to high-income earners, and that it could disproportionately hurt those who are looking for rental housing.

SOLUTION

California's housing situation is a crisis that needs to be addressed. The first step in any crisis is to make sure we don't make it worse. Unfortunately, making it worse is exactly what rent control would do.

Therefore, we need to focus on increasing housing production and decreasing housing production costs instead of looking to rent control as the answer.