



Frequently Asked Questions About Proposition 21

What is Proposition 21?

Prop 21 is a statewide initiative on the November 2020 ballot. It would repeal portions of the state's existing rental housing laws (Costa Hawkins) and open the door for extreme forms of rent control to be enacted at the local level. The measure would allow for permanent price caps on all forms of housing, including single

family homes and condos. Independent academic experts from Stanford and UC Berkeley agree that policies like Prop 21 discourage new construction and reduce availability of affordable and middle-class housing, driving up rents for many Californians.

Who is behind Proposition 21?

Proposition 21's chief backer is Michael Weinstein, who runs the controversial AIDS Healthcare Foundation (AHF) – a billion dollar “non-profit” organization. Weinstein has a long history of misusing AHF funds for his pet political projects, rather than for the organization's stated goal of helping patients with HIV/AIDS. He has spent millions on efforts to block needed housing developments in LA, opposed union organizing and called renters “transients” that cause neighborhoods to “lose their identity.”

Most recently, Weinstein advanced his anti-housing agenda by funding an aggressive opposition campaign to SB 50 (Wiener), a bill that would have increased housing production near transit. Weinstein spent undisclosed amounts to lobby against the bill, and during the campaign, produced and disseminated racially-charged and controversial mailers targeting Democrat legislators.

Unlike the vast majority of the HIV/AIDS advocacy world, Weinstein has taken controversial stances against the use of PrEP, an HIV preventative medication.

Does California have statewide rent control already?

Yes. Governor Newsom and the Legislature, with the support of numerous stakeholders including affordable housing advocates, labor unions, minority groups, local governments and others, recently passed some of the strongest statewide rent control and renter protections in the nation. Assembly Bill 1482, which became law on January 1, 2020, ensures renters will not face extreme rent hikes or be unfairly evicted from their homes. The new law also provides stability for property owners, ensuring the rental housing supply is not diminished and that housing continues to be built.

exempts single family homes unless they are owned by corporations and contains “just cause” protections for renters so they cannot be unfairly evicted.

On the other hand, Proposition 21 has been put on the ballot by one man with a deep-pocketed organization. It would allow for extreme forms of rent control that do not consider the costs property owners incur to maintain their properties. It disregards both the legislative process and the will of voters who defeated a similar measure by 20 points in 2018.

AB 1482 was developed with expert and stakeholder input, which resulted in a balanced, well thought out policy. It caps annual rent increases at 5% plus CPI,

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Didn't voters just vote on this same Proposition in 2018?

Prop 21 is the second attempt by Weinstein to pass an initiative that would allow for extreme forms of rent control to be enacted at the local level. His latest initiative is virtually identical to Proposition 10, which was

defeated by voters by a nearly 20-point margin in 2018. Despite his claims to the contrary, Prop 21 is fraught with the same flaws as Prop 10.

Are single family homes exempt?

No, Prop 21 would allow for extreme forms of rent control to be applied to single family homes and condos. Anyone who holds title for their home in a family trust, a partnership, or the like would be subject to permanent price caps when renting their home. Roughly a third of all

homes are held in a trust. Additionally, anyone with more than two single family homes would be subject to rent control under the measure.

Would Proposition 21 allow for a 15 percent increase in rent in the first year?

Yes. Prop 21 contains a poorly-written provision that would allow for a 15-percent increase in rent during the first year of tenancy.

Won't Proposition 21 also reduce the rental housing stock over time by imposing permanent price caps on rental housing?

This initiative is the worst of both scenarios. It allows for a 15 percent increase in the first year of tenancy, which is more than many tenants can pay. But, it also allows for a form of permanent price caps, which encourages owners to leave the rental market all together and discourages investments in new rental housing. Both of these scenarios make the housing crisis worse.

percent adjustment above the previous tenants' rent. It doesn't matter how long the previous tenants lived in the unit or if the local government had capped rents on previous tenants to below the price of inflation, which some local governments now do. Policies like Prop 21 have been found by independent experts to discourage new construction and reduce availability of affordable and middle-class housing, driving up rents for many Californians.

Prop 21 authorizes extreme forms of rent control that prohibit owners from adjusting the rent to the market rate when there are new tenants, and allows for only a 15

We have a statewide rent control law on the books that protects renters, but avoids the pitfalls of Proposition 21.

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