

No on Proposition 33

What is Proposition 33?

Proposition 33 seeks to repeal the Costa-Hawkins Rental Housing Act. The Act was originally sponsored by C.A.R. and enacted in 1995 which has stopped extreme forms of rent control from being enacted by local jurisdictions.

The Costa-Hawkins law stops cities and counties from imposing rent control on single-family homes and requires local jurisdictions to allow housing providers to charge market rates for a property when a tenant leaves their unit (vacancy decontrol). If Proposition 33 passes, politicians and unelected rent boards will have complete control over rent regulations. Proposition 33 would allow extreme rent control to be applied to all properties, resulting in a sharp decline in housing construction and worsening our housing affordability crisis, ultimately hurting tenants.

How does Prop 33 affect homeowners?

Prop 33 would remove the current prohibition on rent control for single-family homes. Homeowners could lose the right to set rental prices and might be required to charge below-market rates indefinitely, as it would allow local jurisdictions to mandate that even if a tenant leaves the property, the homeowner cannot rent it at the market rate. Currently, Costa-Hawkins requires local jurisdictions to allow housing providers to charge market rent once a tenant vacates. Furthermore, researchers from MIT estimate that rent control measures like Prop 33 could result in an average reduction of home values by up to 25%.

What does Prop 33 mean for rent control?

Prop 33 would dramatically expand rent control. Politicians and unelected government rent control boards could impose fees and regulations on homeowners without a public vote. This could include prohibiting rent increases when a tenant vacates, preventing homeowners from charging market rates to new tenants, and imposing rent control on single-family homes—all actions that local jurisdictions are currently prohibited from taking under Costa-Hawkins.

How will Prop 33 impact the housing crisis?

By expanding rent control, Prop 33 would discourage new construction and reduce the number of available rental units. California is already facing a severe housing shortage, and Prop 33 would only make the problem worse. New construction could come to a halt, depending on the scope of rental restrictions, and the existing supply of homes could be reduced as homeowners are forced to remove rentals from the market. California needs 3.5 million more homes by 2025, but Prop 33 does nothing to encourage new housing and will likely reduce new apartment construction. It's no surprise that the non-partisan state [Legislative Analyst's Office \(LAO\)](#) states that Prop 33 could result in higher rents, making the state even less affordable.

What is the economic impact of Prop 33?

The economic impact would be negative for both tenants and homeowners. Increased rent control would make building and maintaining housing financially unfeasible, worsening the housing shortage. Additionally, the [Legislative Analyst's Office \(LAO\)](#) estimates that rents could increase for tenants due to the reduction in available rental housing. Homeowners would also face a loss of revenue and could be forced to take rental homes off the market, further reducing supply.

What do experts say about Prop 33?

Experts, including economists from both progressive and conservative backgrounds, and housing policy professionals, argue that rent control measures like those proposed in Prop 33 do not solve the underlying issues of housing affordability. Instead, they may lead to unintended consequences, such as higher rents, reduced housing supply, lower property values, and a decrease in the overall quality of housing. For example, cities like San Francisco and Los Angeles, which have strict rent control ordinances, also have some of the highest rents in the country.

Haven't voters rejected similar measures before?

Yes, 60% of California voters rejected similar rent control measures in 2018 and 2020. Those measures were also seen as flawed because they worsened the housing crisis, and Prop 33 is no different.

Who is behind Proposition 33?

Proposition 33 is backed and bankrolled by CEO Michael Weinstein of the AIDS Healthcare Foundation (AHF), who has a long history of opposing new housing. Prop 33 is also part of a broader anti-housing agenda, and if passed, it could overturn more than 100 state housing laws, including those that make it easier to build affordable housing, such as ADUs. This is why pro-housing state elected officials from both political parties oppose this measure.

What are other key arguments against Prop 33?

- X Reduces Property Values:** By imposing rent control, property values could decline, affecting both individual homeowners and the broader real estate market.
- X Increases Fees and Bureaucracy:** Unelected boards would be empowered to impose new fees and requirements on homeowners, leading to higher costs and more red tape.
- X Hurts the Economy:** As rental housing becomes less financially viable, investors may shy away from building new housing, further hurting California's economy and deepening the housing crisis.

Vote NO on Prop. 33:

Eliminates Homeowners' Rights, Expands Rent Control, and Worsens the Housing Crisis



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