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A Flawed Initiative That Will Make The Housing Crisis Worse

Coalition Members:

- California Community Builders
- California Business Properties Association
- California Business Roundtable
- California Rental Housing Association
- California Senior Advocates League
- California State Conference of the National Association for the Advancement of Colored People (NAACP)
- Family Business Association of California
- California Small Business Association
- California Chamber of Commerce
- California Taxpayers Association
- California Taxpayer Protection Committee
- California Taxpayers Union
- Californians Against Wasteful Spending
- Howard Jarvis Taxpayers Association
- Institute of Real Estate Management – California
- Pro-Small Biz California
- The Two Hundred
- United Latinos Vote
- Central Valley Business Federation (BizFed)
- Fresno Chamber of Commerce
- Greater Irvine Chamber of Commerce
- Kern County Taxpayers Association
- Los Angeles Area Chamber of Commerce
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- Mountain View Chamber of Commerce
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- San Diego Regional Chamber of Commerce
- Silicon Valley Taxpayers Association
- Southwest California Legislative Council
- The Silicon Valley Organization
- Valley Industry and Commerce Association

**Partial List*

Fact Sheet

Prop 10, the so-called “Affordable Housing Act,” is anything but affordable housing. Don’t be fooled, the initiative is bad for homeowners and renters – and will make California’s housing crisis worse.

NO on Prop 10. It just has too many flaws.

Allows Regulation of Single Family Homes

- 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.

Places Bureaucrats in Charge of Housing with the Power to Add Additional Fees

- 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.

Puts Taxpayers at Risk for Millions in Legal Costs

- 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.

Adds Tens of Millions in New Costs to Local Governments

- The state’s non-partisan legislative analyst says the measure 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.

Drives Up the Cost of Existing Housing

- 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 an affordable place to live.

BOTTOM LINE:

Prop 10 has too many flaws and will make the housing crisis worse.

Vote NO on November 6th!

Paid for by No on Prop 10 – A Flawed Initiative That Will Make The Housing Crisis Worse
a coalition of housing advocates, renters, large and small businesses, taxpayer groups, and veterans
Committee major funding from
Michael K. Hayde, including Western National Group & Affiliated Entities
Geoffrey H. Palmer
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MYTH vs. FACT

MYTH Prop 10 will give renters immediate relief.

FACT Prop 10, the so-called “Affordable Housing Act,” repeals current law and **does not force the state or any city to lower rents**. This flawed initiative:

- Will NOT provide any immediate relief for people facing higher housing costs.
- Will NOT increase funding for affordable housing.
- Will NOT force local communities to build the housing approved in their general plans.

MYTH Prop 10 will make housing more affordable across California.

FACT Numerous studies show that the exact opposite could happen. Prop 10 **could increase prices for existing housing** and make it even more difficult for families to purchase their first home. It could even force thousands of renters – including seniors and others living on fixed incomes – out of their apartments and communities.

In fact, the initiative’s new government fees and regulations on housing will give apartment owners a huge financial incentive to **convert rental properties into more profitable uses** like short-term vacation rentals and condos. As a result, Prop 10 could increase the cost of existing housing and make it even harder for renters to find affordable housing in the future.

MYTH Prop 10 will not harm the construction of new homes.

FACT This flawed initiative **will only make California’s housing crisis worse**. The state’s nonpartisan Legislative Analyst’s Office stated in their analysis of Prop 10 that, “A substantial expansion of rent control in California could result in economic effects more dramatic than those suggested by research on rent control to date, including **significant reductions in construction of new housing**.”

MYTH Prop 10 will benefit California’s economy.

FACT The state’s nonpartisan Legislative Analyst’s Office found that 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. This could result in **less money for schools and emergency services**, reduced new home construction, and a loss of thousands of well-paid construction jobs.

BOTTOM LINE:

Prop 10 has too many flaws and will make the housing crisis worse.

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Statewide Organizations:

American Seniors Association
Building Owners and Managers Association of California
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Community Builders
California Downtown Association
California Mortgage Bankers Association
California Rental Housing Association
California Senior Advocates League
California Small Business Association
California State Conference of the National Association for the Advancement of Colored People (NAACP)
California Taxpayer Protection Committee
California Taxpayers Coalition
California Taxpayers Association
California Taxpayers Union
Californians Against Wasteful Spending
Family Business Association of California
Howard Jarvis Taxpayers Association
Institute of Real Estate Management – California
Minority Apartment Owners Association
National Association of Industrial and Office Properties – California
National Community Renaissance
National Federation of Independent Business (NFIB)
Pro-Small Biz California
R Street Institute
The Two Hundred
The Urban Lady Foundation
United Latinos Vote
Western Manufactured Housing Communities Association

Regional Organizations:

Anaheim Chamber of Commerce
Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Apple Valley Chamber of Commerce
Associated Builders and Contractors, Northern California Chapter
Associated Builders and Contractors, Southern California Chapter
Bay Area Council
Berkeley Property Owners Association
Better Housing for Long Beach
Calaveras County Taxpayers Association
Camarillo Chamber of Commerce

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Campbell Chamber of Commerce
Central Valley Business Federation (BizFed)
Chico Chamber of Commerce
Claremont Chamber of Commerce
Coalition of Sensible Taxpayers (CO\$T)
Compton Branch - National Association for the
Advancement of Colored People (NAACP)
Dinuba Chamber of Commerce
East Bay Rental Housing Association
El Centro Chamber of Commerce
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Encinitas Chamber of Commerce
Fountain Valley Chamber of Commerce
Fresno Chamber of Commerce
Fullerton Association of Concerned Taxpayers
Greater Bakersfield Chamber of Commerce
Greater Huntington Park Area Chamber of
Commerce
Greater Irvine Chamber of Commerce
Greater Merced Chamber of Commerce
Greater Tehachapi Chamber of Commerce
Hawthorne Chamber of Commerce
Hollywood Chamber of Commerce
Huntington Beach Chamber of Commerce
Inglewood Rental Property Owners Association
Inland Empire Economic Partnership
Inland Empire Taxpayers Association
Kern County Taxpayers Association
La Verne Chamber of Commerce
Lodi District Chamber of Commerce
Long Beach Area Chamber of Commerce

Los Angeles Area Chamber of Commerce
Los Angeles Business Council
Los Angeles Business Federation (BizFed)
Menifee Valley Chamber of Commerce
Montebello Chamber of Commerce
Monterey Peninsula Chamber of Commerce
Mountain View Chamber of Commerce
Mount Shasta Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
North Orange County Chamber of Commerce
North San Diego Business Chamber
North Valley Property Owners Association
Orange County Business Council
Oxnard Chamber of Commerce
Palo Alto Chamber of Commerce
Placer County Taxpayers Association
Rancho Cordova Chamber of Commerce
Ripon Chamber of Commerce
Rancho Cordova Chamber of Commerce
Sacramento Metropolitan Chamber of Commerce
Sacramento Branch - National Association for the
Advancement of Colored People (NAACP)
Sacramento Regional Builders Exchange
Sacramento Taxpayers Association
San Bernardino Area Chamber of Commerce
San Diego County Apartment Association
San Diego East County Chamber of Commerce
San Diego Regional Chamber of Commerce
San Diego Tax Fighters
San Francisco Chamber of Commerce
San Gabriel Valley Economic Partnership
San Mateo Area Chamber of Commerce

San Ramon Chamber of Commerce
Santa Cruz Area Chamber of Commerce
Santa Barbara Rental Property Association
Santa Maria Valley Chamber of Commerce
Santa Monica Chamber of Commerce
Seaside Taxpayers Association
Silicon Valley Taxpayers Association
Small Property Owners of San Francisco Institute
Solano County Taxpayers Association
Southwest California Legislative Council
South Bay Association of Chambers of Commerce
Sutter County Taxpayers Association

Temecula Valley Chamber of Commerce
Torrance Area Chamber of Commerce
The Chamber of the Santa Barbara Region
The Silicon Valley Organization
United Chambers of Commerce of the San
Fernando Valley
Vacaville Chamber of Commerce
Valley Industry and Commerce Association
Victor Valley Chamber of Commerce
West Hollywood Chamber of Commerce

****Partial list*** **Last updated 8/15/18**



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What Others Are Saying

“Tens of thousands of renters, including seniors and others on fixed incomes, could be forced out of their apartments and communities under Prop 10, which allows wealthy corporate landlords to turn apartments into condos and short-term vacation rentals. It will increase the cost of renting and make it even harder to find affordable housing.”

Alice Huffman, President, California State Conference of the NAACP

“Prop 10 could hurt homeowners by authorizing a new government bureaucracy that can tell homeowners what they can and cannot do with their own private residence. It could make homes more expensive for future buyers and hurt families trying to purchase their first home.”

Steve White, President, California Association of REALTORS

“Prop 10 does nothing to build new affordable housing that California families desperately need. Instead, it will limit new construction, impose fees on housing and increase the cost of living for thousands of Californians. That is why I am urging people to vote no on Prop 10.”

John Gamboa, President, California Community Builders

“California’s already suffering from a housing crisis. Prop 10 will further drive up the cost of housing, making California even more unaffordable for those living paycheck-to-paycheck. It also gives false hope to the working poor who find themselves with even fewer and more expensive housing options.”

Robert Apodaca, Executive Director, United Latinos Vote

“Prop 10 will make it harder for renters to find affordable housing in the San Fernando Valley, traditionally an area of Los Angeles that has been an affordable place for middle class families, and impact employers looking to fill jobs. And homeowners will be forced to shift their properties to other uses like vacation rentals or condos due to the onerous uncertainty of hundreds of unelected rental boards and commissions. Prop 10 is flawed and will only exacerbate the housing crisis and prevent millions of dollars in development and new jobs from entering the area.”

Stuart Waldman, President, Valley Industry and Commerce Association

“We oppose Prop 10 because it would allow unelected bureaucrats to impose fees on all housing, including single-family homes, with no vote of the people or local elected body. This will make housing more expensive, not less.”

Jon Coupal, President, Howard Jarvis Taxpayers Association

“For seniors on Social Security and fixed incomes, Prop 10 could be devastating.”

Marilyn Markham, Board Member, California Senior Advocates League

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THE FLAWS

READ IT FOR YOURSELF!

PROP 10

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.

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.*

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.

...

Section 3. Purposes and Intent.

...

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.

Find out more at: WWW.READITFORYOURSELF.COM

