

FEATURE ARTICLE

Rex S. Hime



Rex S. Hime is the President & CEO, California Business Properties Association and No on 10 campaign co-chair

Vote NO on Prop 10 This November

This November, Californians will have the chance to go to the polls and vote on a whole slew of issues including who will be selected to lead our state as our next governor, whether to keep or repeal a recently enacted gas tax, or whether it makes sense to keep or eliminate daylight savings. Unfortunately, there is another proposition on the ballot, Proposition 10, that if passed will have profoundly negative effects on California's economy, our housing industry, including the manufactured housing industry, renters, and apartment owners both large and small.

Proposition 10, the so-called "affordable housing act," is a flawed initiative that will reduce the construction of new housing and result in the loss of thousands of jobs across our state. At the same time, Proposition 10 stands to cost California millions of dollars in lost revenue, which means less money for schools and emergency services, reduced new home construction, and a loss of thousands of well-paid construction jobs.

California voters need to know that Proposition 10 is anything

but "affordable." It is bad for both renters and homeowners and will make our state's housing crisis even worse. Proposition 10 will not provide any immediate relief for renters facing higher housing costs, will not increase funding for affordable housing, and will not result in any new housing. Frankly, the passage of Proposition 10 will stop construction of new housing dead in its tracks.

Proposition 10 is opposed by a broad-based coalition of more than 130 organizations, elected officials, businesses, housing advocates and individuals, including the California Business Roundtable, the California Chamber of Commerce, the California Small Business Association, and the California Association of Realtors, just to name a few. It is even opposed by numerous social justice organizations like the California State Conference of the NAACP and veterans groups. Why? Because they all know that Proposition 10 is bad for the economy, bad for renters, and bad for businesses both large and small.

For the manufactured housing industry, Proposition 10 could end

up being a significant disruption. Proposition 10 calls for the creation of as many as 539 rental boards that will be in charge of housing. It will give government agencies unlimited power to add fees on housing that will ultimately be passed onto tenants in the form of higher rents. This will make homes and apartments more expensive. California needs a robust workforce that lives near their jobs, but Proposition 10 could force people out of their communities to find housing and increase their commute times even more. Proposition 10 could result in higher, not lower, costs for existing housing and may make it even more difficult for families to purchase their first home.

Additionally, many businesses rely on landlord investments to keep their facilities attractive for new customers, but Proposition 10

will reduce property values and, in turn, reduce landlord improvements. California's non-partisan legislative analyst, along with significant economic research, shows that the market value of non-rent-controlled properties in the vicinity of rent-controlled properties also declines. This suggests if a business is in the vicinity of rent-controlled properties, it could see a decline in property values. The legislative analyst also found that Proposition 10 could increase costs for local governments by tens of millions of dollars in lost revenue, which means less money for schools and emergency services, reduced new home construction, and a loss of thousands of good paying construction jobs.

Ironically, Proposition 10 gives apartment owners a huge financial incentive to convert rental proper-

ties into more profitable uses like short-term vacation rentals and condos, making it harder for renters to find affordable housing in the future, even forcing seniors and others living on fixed incomes out of their apartments and communities. At the same time the authors of Proposition 10 put language into the initiative that would require California taxpayers to pay the legal bills of the initiative's supporters if homeowners, tenants or voters challenge the law in court. Crazy as this sounds, even if the initiative's supporters lose in court, taxpayers will still be on the hook to pay their legal bills.

Faced then with all of these potentially terrible impacts to California, why are proponents of Proposition 10 pushing for its passage? That is a curious question that is difficult to answer. Its main funder to date

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is Los Angeles activist Michael Weinstein and his non-profit AIDS Healthcare Foundation (AHF), which has bankrolled a slew of ballot measures aimed at impacting prescription drug pricing and significantly curtailing, and in some cases eliminating Los Angeles area real estate development. According to the Los Angeles Times, Weinstein's AHF poured millions of dollars into numerous failed campaigns, including one which would have imposed a moratorium lasting up to two years on any new development, essentially putting a choke hold on construction.

Weinstein and his non-profit were even at odds with groups wanting to build affordable housing – AHF opposed a state bill requiring cities and counties to limit environmental, planning and other reviews for some development, which was re-

cently signed into law by Governor Jerry Brown. He even tried to block construction of two residential towers next to his offices because it would block his view. Thankfully a judge rejected Weinstein's bid.

Like the judge in the aforementioned case, California voters are shrewd enough to see past power grabs and vanity projects. Proposition 10 just has too many flaws. We are not interested in giving unelected government bureaucrats unlimited power to dictate pricing for privately owned single-family homes or manufactured housing, put taxpayers at risk for millions in legal costs if homeowners or tenants challenge the law in court, or add tens of millions in new costs to local governments. Proposition 10 is clearly the wrong answer to California's housing crisis. ■



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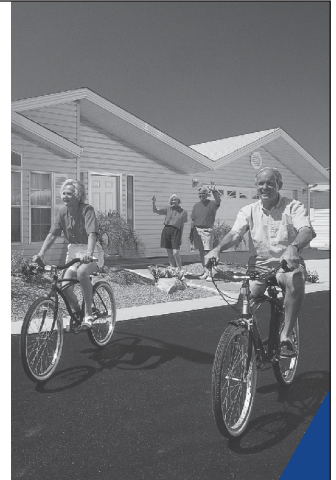
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