No on Proposition 21
Don't Further Strain State and Local Budgets

Due to COVID-19, California is now in a recession that could last years. The shuttering of businesses has caused record unemployment and depressed sales tax revenues, which fund many vital local services. Property tax is also at risk as the housing market faces severe strain. With more renters unable to pay rent, many small landlords – who comprise two-thirds of the rental market – will soon be unable to pay their mortgages, and we could see a housing market crash similar to the crash of 2008. Proposition 21 will only make matters worse by further depressing property values, discouraging new investment in rental housing and exacerbating a long-standing housing affordability crisis in our state.

State and Local Governments Are Already Looking at Having to Cut Their Budgets

Jobs Lost. LA Mayor Eric Garcetti plans to impose furloughs on nearly 16,000 civilian city workers, resulting in a 10% reduction in their pay in the coming fiscal year.

Billion Dollar Deficits. San Francisco city leaders are projecting the city's budget deficit for the upcoming two-year budget could increase to more than $1 billion.

Services Cut. San Diego is facing a $250 million budget gap which it plans to close by cutting services and jobs.

Severe Recession

California's LAO recently said: "...the economy has entered a recession, and possibly a quite severe one. ... It's very likely that the state has gone from an anticipated surplus and is now likely facing a budget problem and a potentially significant one."

Proposition 21 Could Result in Property Tax Losses of Over Half a Billion Dollars Annually

20% Reduction in Property Values. Multiple studies have found that extreme forms of rent control depress property values. MIT researchers found that rent control reduces property values by 20 percent.

Over $500 Million Property Tax Shortfall Each Year. It is estimated that Proposition 21 could result in property tax losses of over $500 million each year.

Reduced Funding for Services and a Worsening Housing Crisis

Bottoming Out of Housing Market. Just like the mortgage crisis of 2008, the COVID-induced recession will force many landlords to sell or lose their properties to foreclosure. Prop 21 will not only reduce property values, but distress the entire housing market paving the way for more corporately-owned housing.

Reduced Funding for Education, Public Safety & Other Vital Services. Reduced home values will result in less state and local government revenue negatively impacting schools, public safety and other essential services.

A Housing Crisis Made Worse. Independent academic experts agree polices like Prop 21 discourage new construction and reduce availability of affordable and middle-class housing, driving up rents for many Californians.