



Weinstein Housing Freeze Poses Threat to California Seniors

California has a serious housing affordability crisis and we need to take action. But the deeply-flawed Weinstein Housing Freeze will make our problem worse. Independent experts agree that policies contained in the initiative reduce the availability of affordable and workforce housing, leading to higher costs and more evictions.

Low-income senior citizens, low-income veterans, and low-income families – those who need the most housing support – will suffer. Seniors will be put even further at risk by the potential reduction of funds for programs like Medi-Cal. “Nest eggs” that seniors rely on in retirement will depreciate in property value.

The Weinstein Housing Freeze will mean less affordable housing for seniors.

The senior population will grow immensely over the next two decades, and retirees living on fixed incomes will need more affordable housing. Unfortunately, this initiative could slow or eliminate construction of new affordable housing units.

- As the Baby Boomer Generation reaches retirement age, California’s over-65 population is expected to nearly double by 2030, increasing by over 4 million people. Baby Boomers are more likely to be single and/or childless, “suggesting an increased number of people living alone”ⁱ and a critical need for greater affordable housing options.
- The Weinstein Housing Freeze would put new burdens on affordable housing developers, making them even less likely to justify and invest in new housing projects. Instead of expanding access to affordable housing, this initiative will result in less housing and higher costs.
- For those few seniors lucky enough to snag a rent-controlled unit, they may see moderate cost savings. However, far too many will be left without viable housing options. In addition to halting new construction, rent control gives landlords less incentive to maintain their rent-controlled properties, making units less livable. It also causes them to convert rental units into condos, taking them off the rental market entirely.

The Weinstein Housing Freeze will decrease property values for senior landlords and homeowners.

Nest eggs will depreciate in value as a result of aggressive rent control.

- California’s Legislative Analyst’s Office (LAO) has reported that for landlords and private homeowners in regions where rent control is enforced, the market value of their property will decrease, regardless of whether the property itself is subject to rent control.ⁱⁱ This means real estate investments will yield less money for families if they choose to sell.
- For retirees relying on their rental property for income, they may no longer be able to make ends meet. Seniors could be forced out of retirement and back into the workforce, right when they should be able to enjoy their golden years.

The Weinstein Housing Freeze could potentially reduce state and local benefits like Medi-Cal.

- The unintended consequences of this measure will lead to economic output losses exceeding \$5.7 billion, employment losses exceeding 38,000 jobs, and combined state and local revenue losses of up to \$1.3 billion annually due to reduced property values and less construction-related economic activity in the state.ⁱⁱⁱ
- Over time, state and local revenue losses could impact benefits like Medi-Cal, causing substantial harm to the senior population.

Economists agree that rent control stifles housing access and affordability.

Economic experts tell us that rent control doesn't help the problem.

- In a 2012 survey of economic experts from across the country and ideological spectrum, 81% of respondents said rent control ordinances did not have a positive impact "over the past three decades on the amount and quality of broadly affordable rental housing in cities that have used them."^{iv} Meanwhile, only 2% of respondents felt rent control had a positive impact.^v

Sponsor Weinstein has a long history of opposing affordable housing and has called renters "transients."

The initiative's sponsor, Michael Weinstein, has an extensive history of fighting against new housing:

- OPPOSED a 731-unit residential development in Hollywood that would have created new affordable housing.
- OPPOSED a bill that eased restrictions on the construction of affordable housing.
- SPONSORED anti-housing Measure S in Los Angeles, which would have imposed a housing moratorium in one of California's most impacted and expensive housing markets. The *Los Angeles Times* editorial board said, "Measure S is likely to increase evictions and the loss of rent controlled housing" and "will result in a loss of rent-stabilized housing."
- CAMPAIGNED AGAINST RENTERS in 1993. As a candidate for city council, Weinstein called renters "transients" that cause neighborhoods to "lose their identity." His campaign sent out a mailer boasting that he would "encourage more home owners and fewer renters."

This poorly written measure could effectively halt development of affordable housing in California. It is a fundamentally unsound "solution" to one of our state's greatest problems, throwing a permanent wrench in the works of new affordable housing construction. Contrary to its goals, vulnerable groups across California including seniors will be left with even fewer housing options. In sum, the Weinstein Housing Freeze will worsen our California housing crisis.

ⁱ <http://www.ppic.org/publication/planning-for-californias-growing-senior-population/>

ⁱⁱ LAO Fiscal Impact Report

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^{iv} <http://www.igmchicago.org/surveys/rent-control>

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