



"The Justice for Renters Act" (Proposition 33)

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California's dual housing affordability and homelessness crises have only gotten worse as the state continues to emerge from post-pandemic economic recession. According to [researchers at UC San Francisco](#), over 171,000 Californians experience homelessness every day, and court data on evictions shows evictions surging once again throughout the state.

If you are unfamiliar with how the Justice for Renters Act (a.k.a. Proposition 33) fits into this situation, then you have come to the right place.

Despite a glut of deceptive advertising sponsored by real estate and landlords' lobbies, this 2024 ballot measure is quite simple. If passed, it would:

1. Repeal the Costa-Hawkins Act and
2. Add language to the Civil Code that preserves cities' and counties' autonomy to enact (or not enact) rent stabilization ordinances.

While a yes vote on Proposition 33 will not single-handedly solve the state's crushing housing affordability and homelessness crises, it will give policymakers an important tool—rent stabilization ordinances—that will help keep tenants housed.

Understanding the Costa Hawkins Act

In 1995, California legislators Jim Costa and Phil Hawkins sponsored a bill designed to curb the expansion of rent stabilization ordinances (RSOs). With almost three decades of data available, it is evident that the Costa-Hawkins Act has contributed significantly to many of California's cities experiencing the most acute housing affordability crises in the country.

For example, according to Los Angeles's [Housing Needs Assessment](#), 82% of the 261,995 extremely low-income renters in Los Angeles pay over 30% of their income in rent and 69% pay over half of their incomes on rent. An extreme imbalance exists between high demand for affordable housing and a low supply of affordable units and housing vouchers for low-income renters. Within this context, it is hardly surprising that evictions and entrances into homelessness persist [despite unprecedented levels of policy attention](#).

The Justice for Renters Act will not in, and of itself, reverse these trends, but Costa-Hawkins is currently a formidable obstacle to cities trying to combat housing affordability, as it pre-empts the autonomy of local governments, cities, and counties by banning new rent stabilization ordinances and limiting municipalities' abilities to expand existing ones.

Rent Stabilization Ordinances

Not to be confused with “[first generation rent control](#),” rent stabilization ordinances (RSOs) are policies that typically do two things:

1. They limit rent increases for eligible rental properties and
2. They enact “just cause” policies that make it illegal for landlords to evict tenants without cause.

In California, the caps that RSOs impose rent increases are tied to tenancies rather than units. When a tenant moves out of a unit, the vacant unit is “decontrolled” and landlords can adjust rents to market rates. However, RSOs help tenants stay housed by limiting outrageous rent increases that have exacerbated the state’s affordable housing crises.

Historical Context

The Justice for Renters Act is the third time that voters have had the opportunity to repeal the Costa-Hawkins Act—following Proposition 10 (2018) and Proposition 21 (2020)—and the need could not be greater. In doing so, Prop 33 would give local governments autonomy to combat housing unaffordability crises with RSOs that match the specific needs of their tenants, landlords, and housing markets without state interference.

Addressing Counterarguments

Opponents to Proposition 33 argue that it will prevent new construction and create costly “bureaucratic red tape” for local governments. However, these claims lack substantial evidence.

In the 30 years since the passage of Costa-Hawkins, it is clear that banning the creation and expansion of RSO policies did not solve California’s housing supply crisis. Instead, California’s supply crisis has only worsened, [resulting in skyrocketing rents without the ability to stabilize them](#).

Despite [assertions of consensus](#) in the field of economics that rent control makes supply and affordability crises worse, [actual economics research](#) paints a [different picture](#).

Empirical research on the impact of rent control policies on housing supply in [Massachusetts](#) and [New Jersey](#), for example, clearly shows that these policies individually have little to no effect on housing supply. Instead, research shows [policies that enable and constrain housing supply](#) like [growth and land use restrictions](#) shape variation in housing market dynamics.

Furthermore, economic research clearly shows that rental units covered by RSO policies were more affordable than those without in cities like [Cambridge](#), [New York](#), and [San Francisco](#). When RSO policies are banned and limited (e.g., by the Costa Hawkins Act), rents increase and housing affordability decreases throughout housing market segments.

In reality, research disproves commonsense. RSOs *do not* curtail new construction, but they *do* help renters stay housed by stabilizing rents.

As the state's dual homelessness and affordability crises continue to vex policymakers while costing cities billions of precious budgetary dollars, it is hard to imagine that the cost of (minimally) expanding existing housing agencies' capacity would exceed the social and economic benefits associated with preventing housing instability and entrances into homelessness. Furthermore, these costs only become considerations, of course, if jurisdictions enact RSO policies in the first place; Prop 33 merely allows cities and counties the possibility of doing so.

A Balanced Approach

Rather than opposing Prop 33, tenant advocates and proponents of the Yes in my Backyard (YIMBY) movement should support each other's legislative priorities, that on the one hand incentivizes increasing housing supply to stabilize the housing market in the long term *and*, on the other, crafting strong tenant protections to stabilize it until that point.

While opponents claim that enacting Prop 33 will increase costs and red tape for cities and counties, it is important to consider that the social benefits of helping tenants stay housed in unaffordable rental markets in the midst of housing affordability and homelessness crises (e.g., lowering homelessness service provision expenditures) are likely to exceed administrative costs associated with implementing rent stabilization ordinances

In short, cities and counties need every tool at their disposal to help tenants stay housed and prevent more entrances into homelessness. A "yes" vote on Proposition 33 gives policymakers a key tool to do so as the state, counties, and cities are more motivated than ever to work together to end these crises.