



TALKING POINTS – REALTOR® AUDIENCES

REALTORS® engagement in the upcoming November election is CRITICAL to addressing California’s housing crisis through protecting homeownership and private property rights across the state.

There will be two initiatives on the statewide ballot this November that could dramatically affect housing opportunities, private property rights and the availability of affordable housing.

The first is Prop 5, C.A.R.’s own initiative to create new homeownership opportunities by generating more sales of single family homes in existing neighborhoods. This will benefit young families at a time when California faces a severe shortage of houses for sale. Prop 5, the Property Tax Fairness Initiative, qualified for the ballot earlier this year after C.A.R. submitted nearly 1 million voter signatures to the Secretary of State’s office—a strong indicator of voter support.

- **Here’s how it will work:**

- Seniors often live in homes that no longer meet their needs because their homes may be too big or too far from family. If these homeowners want to downsize or move closer to their children, they could face a doubling or tripling of their property taxes, or what’s being called a moving penalty.
- Proposition 5 provides appropriate relief by allowing those eligible with the ability to transfer their current property tax base to the purchase of another home in any of California’s 58 counties. The new property tax for that individual would be based on their original home’s assessment, in addition to an adjustment consisting of the difference in value between the sale price of the original home and the sale price of the new home.
- Proposition 5 would provide respite to seniors (many on fixed incomes), the disabled and disaster victims by allowing them the flexibility to move to a more suitable home. Right now, too many feel locked in place.
- This will help boost the housing inventory in existing neighborhoods as older homeowners move from their single-family homes that no longer meet their needs and free up housing for future generations.

The other measure of concern on the November ballot is Prop 10, the so-called “Affordable Housing Act,” that would actually make the housing crisis worse by repealing the long standing Costa-Hawkins Rental Housing Act, eventually allowing local governments to impose draconian rent control measures.

C.A.R. strongly opposes Prop 10. Here’s why REALTORS® should vote NO:

- **Proposition 10 will reduce availability of affordable and middle-class housing.** Academic experts from the University of Southern California, U.C. Berkeley and Stanford agree that it would drive up rents, while discouraging new construction and reduce the availability of affordable and middle-class housing. Even the state’s nonpartisan Legislative Analyst has found that passage of Proposition 10 would both discourage new construction and result in existing rental units being taken off the market, reducing availability of rental housing.
- **Proposition 10 will increase the cost of existing housing.** Proposition 10 will cause homeowners to sell or convert rental properties into other more profitable uses, such as short-term vacation listing services like Airbnb. That would increase the cost of existing housing and make it even harder for renters to find affordable housing.
- **Proposition 10 will cost taxpayers hundreds of millions of dollars per year, reducing revenues available for education and public safety.** The Legislative Analyst also said that Proposition 10 would likely reduce the value of rental properties and single-family homes, driving down local property tax revenues by up to hundreds of millions of dollars per year. Driving down home values will hurt middle-class families and will also reduce the funding available for vital services like schools, public safety, road repairs, education, and fire safety.
- **Proposition 10 will eliminate homeowner protections.** Proposition 10 repeals protections homeowners have enjoyed for over 20 years, and lets the government dictate pricing for privately owned single-family homes, controlling how much homeowners can charge to rent out their home – or even just a room. Proposition 10 might even lead to bureaucrats imposing oppressive surcharges when an owner takes a home off the rental market and chooses to occupy it.

Your participation in efforts to PASS Prop 5 and DEFEAT Prop 10 are VITAL.

Here’s what every REALTOR® should do to help:

1. **Register to vote and vote Yes on 5, No on 10.**
2. **Share information with your fellow REALTORS®**
3. **Volunteer to help. Contact your local association of REALTORS® or email prop5@car.org for more information.**

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