Talking Points: California

These talking points are meant to be used during conversations with California lawmakers, potential allies and the media.

* It’s no secret that a growing number of working families are struggling to find housing they can afford. It is a clear strain on families that must be addressed.
* Over 55% of Californina apartment households pay more than 30 percent of their income on housing costs. That’s simply too much. On top of that, from 2000 to 2015, 23 states [under-produced housing](https://www.upforgrowth.org/sites/default/files/2018-09/housing_underproduction.pdf) to the tune of 7.3 million units, including over 3.3 million just in California, which has created a significant supply and demand imbalance that is reflected in today’s home prices.
* We have seen this supply and demand balance inverted in many major cities nationwide during the COVID-19 pandemic. In several regions, residents flocked from cities to the suburbs and exurbs during the pandemic-fueled lockdowns. In these areas, supply began to outpace demand, yielding significant rent decreases. In the San Francisco area, rents fell by nearly nearly 19% year over year by the end of 2020, according to RealPage. Similarly, rents fell by over 14% in San Jose, 5.6% in the Los Angeles and 5% in Oakland.
* The evidence is clear: the best way to address our housing affordability crisis is to ensure supply can meet demand. That’s the only way to bring rents down.
* Americans are searching for solutions to the housing affordability crisis. And in lieu of innovative, proactive solutions, some will advocate for antiquated rent control policies that are universally known to be ineffective and harmful.
* We need proven solutions that will lead to a wider range of housing options, from apartments and duplexes, to single-family homes and townhouses.
  + First, we must address the tremendous shortage of homes and remove barriers to adding more supply. The U.S. needs to build [328,000 apartments every year](https://www.nmhc.org/research-insight/research-report/US-apartment-demand-a-forward-look/) by 2030 – a mark we will not hit on our current path. A wide variety of housing is the only way to ensure there is enough housing available to families of all income levels where they want to live.
  + Second, state and local governments should explore creative, public-private partnerships to bring the price point down and create more affordable housing.
  + Third, we must use targeted subsidies to help the neediest families today.
* California has learned the hard way that rent control policies have unintended consequences that far outweigh any benefits. For instance, a [1995 rent control policy in San Francisco](https://www.bloomberg.com/opinion/articles/2018-01-18/yup-rent-control-does-more-harm-than-good) reduced rental-unit supply by 15 percent and made people much less likely to move over the medium and long term. That’s why California voters resoundingly rejected ballot initiatives in 2018 and 2020 that would have broadened rent control across the state.
* When considering rent control, California lawmakers would be better served implementing [solutions](https://www.nmhc.org/research-insight/research-report/the-impacts-of-rent-control-a-research-review-and-synthesis/) that will truly make a dent in addressing our housing affordability challenges.