



Contra  
Costa  
County

To: Board of Supervisors  
From: LEGISLATION COMMITTEE  
Date: September 22, 2020

Subject: Propositions 20 and 21 on the November 3, 2020 General Election Ballot

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**RECOMMENDATION(S):**

CONSIDER whether to adopt a position on the following measures that have qualified for the November 3, 2020 General Election ballot. The Board of Supervisors may adopt a position of "Support," "Oppose," or "No position."

1. **Proposition 20:** RESTRICTS PAROLE FOR NON-VIOLENT OFFENDERS.

AUTHORIZES FELONY SENTENCES FOR CERTAIN OFFENSES CURRENTLY TREATED ONLY AS MISDEMEANORS. INITIATIVE STATUTE.

2. **Proposition 21:** EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. INITIATIVE STATUTE.

**FISCAL IMPACT:**

From the Legislative Analyst's Office:

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☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **09/22/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 22, 2020

Contact: L. DeLaney,  
925-335-1097

David Twa, County Administrator and Clerk of the Board of  
Supervisors

By: , Deputy

cc:

## FISCAL IMPACT: (CONT'D)

**Prop. 20: "State and Local Correctional Costs.** The proposition would increase state and local correctional costs in three ways.

- First, the increase in penalties for theft-related crimes would increase correctional costs mostly by increasing county jail populations and the level of community supervision for some people.
- Second, the changes to community supervision practices would increase state and local costs in various ways. For example, the requirement that county probation officers seek to change the terms of supervision for people on PRCS who violate them for a third time could increase county jail populations if this causes more people to be placed in jail.
- Third, the changes made to the Proposition 57 release consideration process would increase state costs by reducing the number of inmates released from prison and generally increasing the cost of the process.

We estimate that more than several thousand people would be affected by the proposition each year. As a result, we estimate that the increase in state and local correctional costs would likely be in the tens of millions of dollars annually. The actual increase would depend on several uncertain factors, such as the specific number of people affected by the proposition. **State and Local Court-Related Costs.** The proposition would increase state and local court-related costs. This is because it would result in some people being convicted of felonies for certain theft-related crimes instead of misdemeanors. Because felonies take more time for courts to handle than misdemeanors, workload for the courts, county prosecutors and public defenders, and county sheriffs (who provide court security) would increase. In addition, requiring probation officers to ask judges to change the terms of supervision for people on PRCS after their third violation would result in additional court workload. We estimate that these court-related costs could be more than several million dollars annually, depending on the actual number of people affected by the proposition. **State and Local Law Enforcement Costs.** The proposition would increase state and local law enforcement costs by expanding the number of people who are required to provide DNA samples, possibly by tens of thousands annually. We estimate that the increase in state and local law enforcement costs would likely not be more than a few million dollars annually. **Other Fiscal Effects.** There could be other unknown fiscal effects on state and local governments due to the proposition. For example, if the increase in penalties reduces crime, some criminal justice system costs could be avoided. The extent to which this or other effects would occur is unknown."

**Prop. 21: "Economic Effects.** If communities respond to this measure by expanding their rent control laws beyond the existing protections for renters, it could lead to several economic effects. The most likely effects are:

- To avoid rent regulation, some landlords would sell their rental housing to new owners who would live there.
- The value of rental housing would decline because potential landlords would not

want to pay as much for these properties.

- Some renters would spend less on rent and some landlords would receive less rental income.
- Some renters would move less often. For example, fewer renters would move because their rents increase.

The size of these effects would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited. ***Changes in State and Local Revenues.*** The measure's economic effects would affect property tax, sales tax, and income tax revenues. The largest and most likely impacts are:

- ***Less Property Taxes Paid by Landlords.*** A decline in the value of rental properties would lead to a decrease in property tax payments made by owners of those properties over time. These property tax losses would be partially offset by higher property tax payments resulting from the sales of rental housing. This is because property sales often cause property tax bills to reset at a higher level. Revenue losses from lower property values would be larger than revenue gains from increased sales. Because of this, the measure would reduce overall property tax payments.
- ***More Sales Taxes Paid by Renters.*** Renters who pay less in rent would use some of their savings to buy taxable goods.
- ***Change in Income Taxes Paid by Landlords.*** Landlords' income tax payments ***would change in several ways, both up and down.*** The overall effect on state income tax revenue is not clear.

Overall, the measure likely would reduce state and local revenues over time. The largest effect would be on property taxes. The amount of revenue loss would depend on many factors, most importantly how communities respond to this measure. For example, if communities that already have rent control expand their rules to include newer homes and single-family homes, revenue losses could be in the high tens of millions of dollars per year. If many communities create new rent control rules, revenue losses could be larger. If few communities make changes, revenue losses would be minor. ***Increased Local Government Costs.*** If cities or counties create new rent control laws or expand existing ones, local rent boards would have increased costs. Depending on local government choices, these costs could **range from very little to tens of millions of dollars per year.** These costs likely would be paid by fees on owners of rental housing."

#### BACKGROUND:

At their September 14, 2020 meeting, the Legislation Committee further considered Propositions 20, 21, and 23, measures which have qualified for the November 3, 2020 General Election ballot. After further consideration, the Committee directed staff to send Propositions 20 and 21 to the full Board of Supervisors for consideration of an advocacy position, with no recommendation from the Committee.

**1. Proposition 20: RESTRICTS PAROLE FOR NON-VIOLENT OFFENDERS. AUTHORIZES FELONY SENTENCES FOR CERTAIN OFFENSES CURRENTLY TREATED ONLY AS MISDEMEANORS. INITIATIVE STATUTE.**

Imposes restrictions on parole program for non-violent offenders who have completed the full term for their primary offense. Expands list of offenses that disqualify an inmate from this parole program. Changes standards and requirements governing parole decisions under this program. Authorizes felony charges for specified theft crimes currently chargeable only as misdemeanors, including some theft crimes where the value is between \$250 and \$950. Requires persons convicted of specified misdemeanors to submit to collection of DNA samples for state database.

The summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased state and local correctional costs likely in the tens of millions of dollars annually, primarily related to increases in penalties for certain theft-related crimes and the changes to the nonviolent offender release consideration process. Increased state and local court-related costs of around a few million dollars annually related to processing probation revocations and additional felony theft filings. Increased state and local law enforcement costs not likely to exceed a couple million dollars annually related to collecting and processing DNA samples from additional offenders. ([17-0044](#).)

Proposition 20 has four major provisions. It proposes to do the following:

- Changes state law to increase criminal penalties for some theft-related crimes.
- Changes how people released from state prison are supervised in the community.
- Makes various changes to the process created by Proposition 57 (2016) for considering the release of inmates from prison.
- Requires state and local law enforcement to collect DNA from adults convicted of certain crimes.

The CSAC staff analysis of Prop. 20, which recommended "No position" on the measure, which was concurred with by the Board of Directors, can be found in [Attachment A](#).

The Official Voter Information Guide from the California Secretary of State provides a summary of [Prop. 20](#). The [Legislative Analyst's Office](#) provides an analysis of the measure. [Ballotpedia](#) provides additional information.

The East Bay Times and Mercury News [Editorial Boards](#) recommend that voters reject Prop. 20, saying "California paid a heavy price for its heavy-handed 1990s approach to crime. Voters should reject any effort to return to that failed system. Vote no on Prop. 20."

## **2. Proposition 21: EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. INITIATIVE STATUTE.**

Amends state law to allow local governments to establish rent control on residential properties over 15 years old. Allows rent increases on rent-controlled properties of up to

15 percent over three years from previous tenant's rent above any increase allowed by local ordinance. Exempts individuals who own no more than two homes from new rent-control policies. In accordance with California law, provides that rent-control policies may not violate landlords' right to a fair financial return on their property.

The summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or more. ([19-0001](#).)

The measure modifies the three main limitations of the Costa-Hawkins Rental Housing Act of 1995, allowing cities and counties to apply rent control to more properties than under current law. Specifically, cities and counties can apply rent control to most housing that is more than 15 years old. This does not include single-family homes owned by people with two or fewer properties. In addition, cities and counties can limit how much a landlord can increase rents when a new renter moves in. Communities that do so must allow a landlord to increase rents by up to 15 percent during the first three years after a new renter moves in.

The Official Voter Information Guide from the California Secretary of State provides information for [Prop. 21](#). [Ballotpedia](#) provides additional information about the measure. The Legislative Analyst's Office includes an analysis of [Prop. 21](#) on their website.

The Mercury News & East Bay Times Editorial Boards [recommend](#) that voters vote "no" on Proposition 21, saying "However well-intentioned Prop. 21 might be, it's counterproductive. Most economists agree that rent control reduces the quality and quantity of housing."

#### CONSEQUENCE OF NEGATIVE ACTION:

If the Board of Supervisors does not adopt an advocacy position, there will be no official position or endorsement from the Board of Supervisors on the measure.

#### CLERK'S ADDENDUM

**By unanimous vote, TOOK NO POSITION on Prop 20;**

By unanimous vote, TOOK NO POSITION on Prop 21.

Speakers: Melvin Willis, Richmond City Councilmember; Donald; Elsie Mills, Concord.

#### ATTACHMENTS

Attachment A: CSAC Analysis