



Rigel Robinson
Councilmember District 7

REVISED AGENDA MATERIAL

Meeting Date: March 30

Item Number: 28

Item Description: Support for AB 854: Ellis Act Reform

Submitted by: Councilmember Rigel Robinson

Revised item to reflect amended state legislation language.



CITY COUNCIL MEMBER
RIGEL ROBINSON
DISTRICT 7

CONSENT CALENDAR
March 30, 2021

To: Honorable Mayor and Members of the City Council
From: Councilmember Rigel Robinson
Subject: Support for AB 854: Ellis Act Reform

RECOMMENDATION

Send a letter to Assemblymember Alex Lee, Senator Nancy Skinner, and Assemblymember Buffy Wicks in support of Assembly Bill 854, which would require five years of ownership before a rental property owner can proceed with an eviction pursuant to the Ellis Act ~~make nonsubstantive changes to the Ellis Act.~~

BACKGROUND

Assembly Bill 854, introduced by Assemblymember Alex Lee, aims to prevent speculator evictions by prohibiting rental property owners from invoking the Ellis Act to remove a building from the housing market, unless ownership has been established for at least five continuous years. This bill would additionally prohibit a building owner from proceeding with another Ellis Act eviction at a property acquired within 10 years of filing an Ellis Act notice at a different property ~~would make nonsubstantive changes to the Ellis Act.~~

The Ellis Act, passed in 1985, establishes a landlord's unconditional right to remove their property from the rental market, evicting the tenants without just cause.

~~The Ellis Act's~~ original purpose was to protect small landlords who wanted to leave the rental market without selling their property. However, the legislation's reach has been gradually expanded by a series of court decisions, ruling that owners could invoke the Act not only to keep the units vacant, but also to convert the units to ownership or demolish them altogether.¹ This has paved the way for increased housing speculation and displacement across California. One report found that 51 percent of Ellis Act evictions in San Francisco were filed within a year of ownership being established, suggesting that these property owners had no intent of being in the rental business in the first place.²

~~Since 2004~~ From 1986 to 2018, 4510 units have been taken off the rental market in Berkeley using the Ellis Act.³ Across California, the Ellis Act has resulted in the loss of

¹ <https://law.justia.com/cases/california/court-of-appeal/4th/59/1241.html>

² <https://www.sfexaminer.com/news/report-claims-speculators-are-behind-most-ellis-act-evictions-in-sf/>

³ https://www.cityofberkeley.info/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/INFO_Ellis%20Act%20Report_6-11-18.pdf

tens of thousands of rent-controlled units — 26,500 units in the City of Los Angeles alone.⁴

Currently, the statewide COVID-19 eviction protections leave many tenants unprotected, including tenants whose landlords are attempting Ellis evictions. Tenants targeted for these evictions tend to be long-term residents, often elderly, low income, and/or disabled. Recognizing the impacts of the Ellis Act on these vulnerable tenants, especially given the need to shelter in place during the COVID-19 pandemic, Council voted to ban Ellis evictions in December of 2020.⁵ The Cities of Oakland⁶ and San Francisco have also joined a growing call for Ellis Act reform.⁷

Given Council's prior action prohibiting Ellis evictions and the negative impact that the Ellis Act has had on Berkeley's stock of rent-controlled units, the City of Berkeley should support AB 854 and send the attached letter of support to Assemblymember Alex Lee, Senator Nancy Skinner, and Assemblymember Buffy Wicks.

FINANCIAL IMPLICATIONS

None.

ENVIRONMENTAL SUSTAINABILITY

No impact.

CONTACT PERSON

Councilmember Rigel Robinson, (510) 981-7170

Attachments:

1: Resolution

2: Bill text

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB854

⁴ <http://www.cesinaction.org/MapofEllisActEvictions.aspx>

⁵ https://www.cityofberkeley.info/Clerk/City_Council/2020/12_Dec/Documents/12-08_Annotated_Agenda_4pm_pdf.aspx

⁶ https://oaklandside.org/wp-content/uploads/2020/12/View-Report-51.pdf?utm_source=Oaklandside+master+list&utm_campaign=8155acea00-EMAIL_CAMPAIGN_2020_12_18_11_56&utm_medium=email&utm_term=0_8612bcc0f3-8155acea00-333422454

⁷ <https://beyondchron.org/our-fight-to-reform-the-ellis-act/>

March 30, 2021

The Honorable Alex Lee
Assemblymember, 25th District
State Capitol, Room 2170
Sacramento, CA 95814

RE: City of Berkeley's Support for Assembly Bill 854

Dear Assemblymember Alex Lee,

The Berkeley City Council would like to convey our full support for Assembly Bill 854, which would take a critical step towards stopping speculator evictions and preserving California's dwindling stock of rent-controlled units.

The Ellis Act has been exploited as a major loophole that allows property owners to evict tenants without just cause, ~~even during the COVID-19 pandemic~~. It has paved the way for increasing levels of housing speculation, resulting in the loss of rent-controlled units and the displacement of our most vulnerable tenants. Here in Berkeley, the Ellis Act has been invoked to remove over 450 rent-controlled units from the market. Even during the COVID-19 pandemic, landlords are using the Ellis Act to bypass eviction moratoriums despite the clear public health concern associated with housing instability.

AB 854 would close the speculator evictions loophole and ensure that the Ellis Act is used for its original purpose, not to evict for profit. Ellis Act reform is long overdue, and a crucial measure to protect our state's tenants from speculators. The Berkeley City Council supports AB 854 and thanks you for taking the lead on this important issue.

Sincerely,

The Berkeley City Council

CC: Senator Nancy Skinner
Assemblymember Buffy Wicks