

Introduced by Senator Leno
(Principal coauthor: Assembly Member Chiu)

February 24, 2015

An act to add Section 7060.8 to the Government Code, relating to residential real property.

LEGISLATIVE COUNSEL'S DIGEST

SB 364, as introduced, Leno. Residential real property: withdrawal of accommodations.

Existing law, commonly known as the Ellis Act, generally prohibits public entities from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations, as defined, in the property for rent or lease.

This bill would authorize the City and County of San Francisco to prohibit an owner of accommodations from filing a notice of an intent to withdraw accommodations or prosecuting an action to recover possession of accommodations, or threatening these actions, unless all the owners of the accommodations have been owners of record for 5 continuous years or more, except as specified, or with respect to property that the owner acquired within 10 years after providing notice of an intent to withdraw accommodations at a different property. The bill would also permit the city and county to require an owner of accommodations notifying the city and county of an intention to withdraw accommodations from rent or lease to identify each person or entity with an ownership interest in the accommodations and to identify all persons or entities with an ownership interest in an entity. This information would be available for public inspection. The bill

would provide specified, nonexclusive remedies that the city and county would be authorized to impose for a violation of these provisions.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7060.8 is added to the Government Code,
2 to read:

3 7060.8. (a) This section shall apply only to a city that is also
4 a county.

5 (b) Notwithstanding any other provision of this chapter, the city
6 and county by ordinance or ballot measure may provide that:

7 (1) An owner of accommodations shall not file a notice with a
8 public entity of an intent to withdraw accommodations pursuant
9 to this chapter, prosecute an action to recover possession of
10 accommodations pursuant to this chapter, or threaten to do either
11 of these things, unless all the owners of the accommodations have
12 been owners of record for five continuous years or more. If an
13 owner of record is not a natural person, then all persons or entities
14 with an ownership interest in that entity shall have held that interest
15 for five continuous years. The five-year ownership requirement
16 in this paragraph shall not apply to an owner of accommodations
17 who is a natural person, who owns no more than two properties,
18 and who owns no more than a total of four residential units.

19 (2) If an owner of accommodations files a notice of intent with
20 the public entity to withdraw accommodations under this chapter,
21 and the owner subsequently acquires a new property containing
22 accommodations within 10 years of that filing, the owner shall not
23 withdraw accommodations pursuant to this chapter, prosecute an
24 action to recover possession of accommodations pursuant to this
25 chapter, or threaten to do either of these things, with respect to the
26 later acquired property. For purposes of this paragraph, an owner
27 of accommodations includes any person or entity with an
28 ownership interest in an entity that owns the accommodations.

29 (3) An owner of accommodations, or any person or entity with
30 an ownership interest in an entity that owns the accommodations,
31 shall not act in concert with a coowner, successor owner,

1 prospective owner, agent, employee, or assignee, to circumvent
2 the limitations of paragraph (1) or (2).

3 (4) An owner of accommodations notifying the city and county
4 of an intention to withdraw accommodations from rent or lease
5 shall identify each person or entity with an ownership interest in
6 the accommodations, and if any entity is not a natural person,
7 identify all persons or entities with an ownership interest in that
8 entity. This information shall not be confidential and shall be
9 available for public inspection.

10 (c) The city and county may provide that a person or entity that
11 violates the provisions described in subdivision (b) is liable to the
12 tenant or lessee for actual damages, special damages of not less
13 than two thousand dollars (\$2,000) for each violation, and
14 reasonable attorney fees and costs in an amount fixed by the court.
15 The remedy provided by this section is not exclusive and shall not
16 preclude either the tenant or lessee from pursuing any other remedy
17 provided by law.

18 SEC. 2. The Legislature finds and declares that a special law
19 is necessary and that a general law cannot be made applicable
20 within the meaning of Section 16 of Article IV of the California
21 Constitution because of the recent significant increase in the
22 evictions under the Ellis Act in the City and County of San
23 Francisco and the consequent displacement of long-time residents
24 and severe reduction of availability of affordable rental housing
25 in San Francisco.