

File No. 210318

Committee Item No. _____

Board Item No. 34

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____
Board of Supervisors Meeting

Date: _____
Date: April 6, 2021

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Award Letter
- Application
- Public Correspondence

OTHER

- Assembly Bill No. 854
- CSAC/LCC Position
- _____
- _____
- _____
- _____
- _____
- _____
- _____
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Prepared by: Jocelyn Wong
Prepared by: _____

Date: April 2, 2021
Date: _____

1 [Supporting California State Assembly Bill No. 854 (Lee) - Ellis Act Reform]

2

3 **Resolution urging support for California State Assembly Bill No. 854, authored by**
4 **Assembly Member Alex Lee, and co-authored by Assembly Members David Chiu,**
5 **Richard Bloom, and Phil Ting, which creates Ellis Act Reform by imposing a five year**
6 **holding period before the Ellis Act can be used.**

7

8 WHEREAS, The Ellis Act, passed in 1985, establishes a landlord’s unconditional right
9 to remove their property from the rental market, evicting the tenants without just cause; and

10 WHEREAS, The Ellis Act’s original purpose was to protect small landlords who wanted
11 to leave the rental market without selling their property; and

12 WHEREAS, The legislation’s reach has been gradually expanded by a series of court
13 decisions, ruling that owners could invoke the Act not only to keep the units vacant, but also to
14 convert the units to ownership or demolish them altogether; and

15 WHEREAS; Over 78% of Ellis Act evictions happen within the first 5 years of
16 ownership by speculators; and

17 WHEREAS, Currently, the statewide COVID-19 eviction protections leave many
18 tenants unprotected, including tenants whose landlords are attempting Ellis evictions; and

19 WHEREAS, Tenants targeted for these evictions tend to be long term residents, often
20 elderly, low income, and/or disabled; and

21 WHEREAS, We must recognize the ramifications of the Ellis Act on our vulnerable
22 tenants especially with mandatory shelter in place precautions in place due to COVID-19; and

23 WHEREAS, Cities such as Berkeley and Oakland have called for Ellis Act reform; and

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1 WHEREAS, Senator Scott Wiener, Assembly Member David Chiu, and others
2 introduced an Ellis Act reform bill that was defeated in August 2021 due to lack of support;
3 and

4 WHEREAS, Assembly Bill 854 requires owners to hold a property for 5 years before
5 using the Ellis Act evictions; and

6 WHEREAS, AB 854 is legislation designed to oppose gentrification and displacement
7 of our Black, Brown, immigrant, elderly and other vulnerable residents from our communities;
8 and

9 WHEREAS, A copy of Assembly Bill 854 is on file with the Clerk of the Board of
10 Supervisors in File No. 210318, which is hereby declared to be a part of this Resolution as if
11 set forth fully herein; now, therefore, be it

12 RESOLVED, That the San Francisco Board of Supervisors shall support Assembly Bill
13 854 and join Assembly Members Alex Lee, David Chiu, Phil Ting and others to support the
14 passage of this bill; and, be it

15 FURTHER RESOLVED, That the Clerk of the Board of Supervisors of the City and
16 County of San Francisco distribute this Resolution to San Francisco's State Legislative
17 Delegation and to California Governor Gavin Newsom.

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AMENDED IN ASSEMBLY MARCH 18, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 854

Introduced by Assembly Member Lee
(Principal coauthor: Assembly Member Chiu)
~~(Coauthor: Coauthors: Assembly Member Members Bloom and~~
Ting)

February 17, 2021

~~An act to amend Section 7060 of the Government Code, relating to housing.~~ *An act to add Section 7060.8 to the Government Code, relating to residential real property.*

LEGISLATIVE COUNSEL'S DIGEST

AB 854, as amended, Lee. ~~Residential property: withdrawal of accommodations.~~ *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 prohibit an owner of accommodations from filing a notice with a public entity of an intent to withdraw accommodations or prosecuting an action to recover possession of accommodations, or threatening to do so, if not all the owners of the accommodations have been owners of record for at least 5 continuous years, 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.

This bill would require an owner of accommodations notifying the public entity of an intention to withdraw accommodations from rent or lease to identify each person or entity with an ownership interest in the accommodations, as provided. That information would be available for public inspection. The bill would prohibit an owner or any person or entity with an ownership interest from acting in concert with a coowner, successor owner, prospective owner, agent, employee, or assignee to circumvent these provisions. The bill would provide specified, nonexclusive remedies for a violation.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

~~Existing law, commonly known as the Ellis Act, prohibits a public entity 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 in the property for rent or lease, except as specified.~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
 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) An owner of accommodations shall not file a notice
- 4 with a public entity to withdraw accommodations pursuant to this
- 5 chapter, prosecute an action to recover possession of
- 6 accommodations pursuant to this chapter, or threaten to do either
- 7 of these things, unless all the owners of the accommodations have
- 8 been owners of record for at least five continuous years. If an
- 9 owner of record is not a natural person, then all persons or entities
- 10 with an ownership interest in that entity shall have held that
- 11 interest for at least five continuous years.
- 12 (b) If an owner of accommodations files a notice of intent with
- 13 the public entity to withdraw accommodations under this chapter,
- 14 and the owner subsequently acquires a new property containing
- 15 accommodations within 10 years of that filing, the owner shall not
- 16 withdraw accommodations pursuant to this chapter, prosecute an
- 17 action to recover possession of accommodations pursuant to this

1 chapter, nor threaten to do either of these things, with respect to
2 the later acquired property.

3 (c) An owner of accommodations, or any person or entity with
4 an ownership interest in an entity that owns the accommodations,
5 shall not act in concert with a coowner, successor owner,
6 prospective owner, agent, employee, or assignee, to circumvent
7 the limitations of subdivision (a) or (b).

8 (d) An owner of accommodations notifying the public entity of
9 an intention to withdraw accommodations from rent or lease shall
10 identify each person or entity with an ownership interest in the
11 accommodations, and if any entity is not a natural person, identify
12 all persons or entities with an ownership interest in that entity.
13 This information shall not be confidential and shall be available
14 for public inspection.

15 (e) A person or entity that violates the provisions described in
16 subdivision (a) or (b) is liable to the tenant or lessee for actual
17 damages, special damages of not less than two thousand dollars
18 (\$2,000) for each violation, and reasonable attorney’s fees and
19 costs in an amount fixed by the court. The remedy provided by this
20 section is not exclusive and shall not preclude either the tenant or
21 lessee from pursuing any other remedy provided by law.

22 SEC. 2. The Legislature finds and declares that housing,
23 including maintenance of accommodations is a matter of statewide
24 concern and is not a municipal affair as that term is used in Section
25 5 of Article XI of the California Constitution. Therefore, Section
26 1 of this act adding 7060.8 of the Government Code applies to all
27 cities, including charter cities.

28 SECTION 1. Section 7060 of the Government Code is amended
29 to read:

30 ~~7060. (a) A public entity, as defined in Section 811.2, shall~~
31 ~~not, by statute, ordinance, or regulation, or by administrative action~~
32 ~~implementing any statute, ordinance or regulation, require the~~
33 ~~owner of any residential real property to offer, or to continue to~~
34 ~~offer, accommodations in the property for rent or lease, except for~~
35 ~~guestrooms or efficiency units within a residential hotel, as defined~~
36 ~~in Section 50519 of the Health and Safety Code, if the residential~~
37 ~~hotel meets all of the following conditions:~~

38 ~~(1) The residential hotel is located in a city and county, or in a~~
39 ~~city with a population of over 1,000,000.~~

1 ~~(2) The residential hotel has a permit of occupancy issued before~~
2 ~~January 1, 1990.~~

3 ~~(3) The residential hotel did not send a notice of intent to~~
4 ~~withdraw the accommodations from rent or lease pursuant to~~
5 ~~subdivision (a) of Section 7060.4 that was delivered to the public~~
6 ~~entity prior to January 1, 2004.~~

7 ~~(b) For the purposes of this chapter, the following definitions~~
8 ~~apply:~~

9 ~~(1) "Accommodations" means either of the following:~~

10 ~~(A) The residential rental units in any detached physical~~
11 ~~structure containing four or more residential rental units.~~

12 ~~(B) With respect to a detached physical structure containing~~
13 ~~three or fewer residential rental units, the residential rental units~~
14 ~~in that structure and in any other structure located on the same~~
15 ~~parcel of land, including any detached physical structure specified~~
16 ~~in subparagraph (A).~~

17 ~~(2) "Disabled" means a person with a disability, as defined in~~
18 ~~Section 12955.3 of the Government Code.~~

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Safai

Subject:

Supporting California Assembly Bill 854 (Lee) - Ellis Act Reform

The text is listed:

Resolution to Support Assemblymember Lee's AB854- Ellis Act Reform. The bill co-authored by Phil Ting and David Chiu adds a 5 year hold on properties before an Ellis Act Eviction can take place. 78% of Ellis Act evictions happen within the first 5 years of ownership. The legislation seeks to reduce the amount of displacement by speculators due to Ellis Act Evictions in California.

Signature of Sponsoring Supervisor: []



For Clerk's Use Only

From: [Jones, Ernest \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Safai, Ahsha \(BOS\)](#); [Chung, Lauren \(BOS\)](#); [Berenson, Samuel \(BOS\)](#); [Morris, Geoffrea \(BOS\)](#)
Subject: RE: For Introduction: Resolution Supporting Assembly Bill 854 (Lee) - Ellis Act Reform
Date: Tuesday, March 23, 2021 1:15:59 PM
Attachments: [image001.png](#)

No Position has been taken by CSAC or LCC.

Ernest Jones (he/him) | Legislative Aide
Office of District 11 **Supervisor Ahsha Safai**
1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 256
Direct: 415-554-7897 | **Office:** 415-554-6975

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Tuesday, March 23, 2021 11:54 AM
To: Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>
Subject: RE: For Introduction: Resolution Supporting Assembly Bill 854 (Lee) - Ellis Act Reform

Hi Ernest,

Please provide a copy of AB854 for inclusion to the official file.

Pursuant to Board Rule 2.8.2, please confirm that organizations such as the [California State Association of Counties](#) and [League of California Cities](#) have *not* taken a position on these bills. If they have, please provide a copy of their statement for completeness of the file.

Thank you in advance,

Jocelyn Wong

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T: 415.554.7702 | F: 415.554.5163
jocelyn.wong@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.*

From: Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>

Sent: Tuesday, March 23, 2021 11:49 AM

To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>

Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>

Subject: For Introduction: Resolution Supporting Assembly Bill 854 (Lee) - Ellis Act Reform

Hi,

Please find the attached introduction form and Supervisor Safai's Resolution to Support AB854 – Ellis Act Reform.

Ernest Jones (he/him) | Legislative Aide
Office of District 11 **Supervisor Ahsha Safai**
1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 256
Direct: 415-554-7897 | **Office:** 415-554-6975