

LEGISLATIVE DIGEST

[Administrative Code - Ellis Act Evictions]

Ordinance amending the Administrative Code to clarify that the date a property is withdrawn under the Ellis Act is based on the latest date that any tenancy in the property is terminated; to increase the relocation payments that owners must pay to tenants when evicting under the Ellis Act; to require that an owner who returns a unit to the rental market following an Ellis Act eviction must return the entire property to the market, with exceptions for certain owner-occupied units; to clarify that paying punitive damages does not extinguish an owner's obligation to re-offer the unit upon re-rental to the displaced tenants; and to delete inoperative Code sections.

Existing Law

The Ellis Act, California Government Code Sections 7060, et seq., gives rental property owners the right to exit the rental housing business, but also allows local governments to place certain conditions and restrictions on landlords who evict tenants in order to exit the market. In 2019, the California Legislature adopted AB 1399 to clarify and amend certain portions of the Ellis Act.

Separate from AB 1399, the Ellis Act authorizes local governments to mitigate the adverse impacts on displaced tenants. San Francisco requires landlords who are evicting under the Ellis Act to provide relocation assistance to the tenants they are displacing. The current relocation amounts are approximately \$7,426 per eligible tenant, capped at \$22,280 per household, plus an additional \$4,951 for each tenant who is senior or disabled.

Amendments to Current Law

The ordinance makes certain changes pursuant to AB 1399. Specifically, it (1) clarifies that the date a property is withdrawn is based on the latest date that any tenancy in the property is terminated; (2) requires that an owner who returns a unit to the rental market following an Ellis Act eviction must return the entire property to the market, with exceptions for certain owner-occupied units; and (3) clarifies that an owner's payment of punitive damages following the owner's unlawful re-rental of a unit does not extinguish the owner's obligation to re-offer the unit upon re-rental to the displaced tenants. These amendments are intended to be consistent with AB 1399.

The ordinance also increases the relocation payments that owners must pay to tenants when evicting under the Ellis Act. The ordinance also deletes certain inoperative Code provisions related to relocation payments, including former Administrative Code Section 37.9A(e)(3)(E).

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