

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.~~

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