



CITY COUNCILMEMBER
RIGEL ROBINSON
 DISTRICT 7

CONSENT CALENDAR

April 12, 2022

To: Honorable Mayor and Members of the City Council

From: Councilmember Rigel Robinson, Councilmember Kate Harrison, and Councilmember Sophie Hahn

Subject: Support for AB 2050: Ellis Act Reform

RECOMMENDATION

Send a letter to Assemblymember Alex Lee, Senator Nancy Skinner, and Assemblymember Buffy Wicks in support of Assembly Bill 2050, which would require five years of ownership before a rental property owner can proceed with an eviction pursuant to the Ellis Act, with exemptions for small landlords.

BACKGROUND

Assembly Bill 2050 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. AB 2050 provides exemptions for “mom and pop” landlords.

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. Its 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

From 1986 to 2020, 457 units have been taken off the rental market in the City of Berkeley using the Ellis Act.³ Across California, the Ellis Act has resulted in the loss of tens of thousands of rent-controlled units — 5,400 in the Bay Area and 27,600 units in the City of Los Angeles alone.⁴

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://drive.google.com/file/d/1XuB6da_XKg4QRiUtARLiQuAStGEdjMk/view

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

The City of Berkeley declared a local state of emergency and passed the COVID-19 Emergency Response Ordinance in March 2020, banning evictions except for those pursuant to the Ellis Act or necessary for the health and safety of the residents. An amendment prohibiting Ellis Act evictions will go into effect on April 1, 2022.⁵ Council also voted to endorse AB 854, a previous version of this bill.⁶

The City should reaffirm its support for Ellis Act reform by endorsing AB 2050 and sending 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
Angie Chen, Legislative Assistant

Attachments:

- 1: Letter of support
- 2: Bill text

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2050

⁵ <https://www.cityofberkeley.info/rent/newlaws/>

⁶ https://www.cityofberkeley.info/Clerk/City_Council/2021/03_Mar/Documents/2021-03-30_Supp_1_Reports_Item_28_Rev_Robinson_pdf.aspx

April 12, 2022

The Honorable Alex Lee
Assemblymember, 25th District
State Capitol, Room 6330
Sacramento, CA 95814

RE: City of Berkeley's Support for Assembly Bill 2050

Dear Assemblymember Alex Lee,

The Berkeley City Council would like to convey our full support for Assembly Bill 2050, 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. 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.

AB 2050 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 2050 and thanks you for taking the lead on this important issue.

Sincerely,

The Berkeley City Council

CC: Senator Nancy Skinner
Assemblymember Buffy Wicks

