


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER DAN KALB AND COUNCILMEMBER
CARROLL FIFE

RESOLUTION IN SUPPORT OF ASSEMBLY BILL 854 (LEE) THAT WOULD PROHIBIT A RENTAL HOUSING OWNER FROM REMOVING A BUILDING FROM THE MARKET PURSUANT TO THE ELLIS ACT UNLESS ALL OWNERS OF THE PROPERTY HAVE HELD THEIR OWNERSHIP INTEREST FOR AT LEAST FIVE YEARS, WHICH HELPS PUT AN END TO SPECULATOR EVICTIONS

WHEREAS, the Ellis Act was originally passed in 1985 to protect small “mom and pop” landlords who could no longer tend to their rental property; and

WHEREAS, the Ellis Act allows a property owner to get out of the rental business and evict all tenants from the property, notwithstanding any local rent control laws; and

WHEREAS, the Ellis Act was rarely used for over a decade after its passage since few landlords intended to keep their buildings vacant; and

WHEREAS, a series of court decisions vastly expanded the Ellis Act’s reach; instead of requiring units to sit vacant, courts held that owners could convert the rental units to ownership, which led speculators to buy buildings, then go out of the rental housing business soon after, evict long-term tenants, and permanently remove affordable rental units from the housing market; and

WHEREAS, the Ellis Act has become a major loophole for speculator developers to decrease California’s rent-controlled housing for a profit; and

WHEREAS, thousands of households have been forced out of their homes by speculating property owners using the Ellis Act as a result of the expanded reach of the Ellis Act; and

WHEREAS, the vast majority of these evictions occur within 5 years of the owner purchasing the property, since speculator developers will often purchase the property and “go out of business” immediately after completing the purchase; and

WHEREAS, it is more important than ever to protect our stock of rent-controlled housing and keep tenants housed during our ongoing housing crisis; and

WHEREAS, the pandemic and statewide COVID protections have not put an end to these types of evictions; and

WHEREAS, Assembly Bill (AB) 854 (Lee) would prohibit a rental housing owner from removing a building from the rental market pursuant to the Ellis Act unless all owners in the property have held their ownership interest for at least 5 continuous years;

WHEREAS, AB 854 would require that any person or entity that violates the provisions of AB 854 be held liable to the tenant or lessee for actual damages, special damages of not less than two thousand dollars (\$2,000) for each violation, and reasonable attorney's fees and costs in an amount fixed by the court; now, therefore, be it

RESOLVED: That the Oakland City Council hereby endorses AB 854 and urges the California State Legislature and Governor Gavin Newsom to support its enactment into law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California