



East Bay Housing Organizations

December 13, 2021

The Honorable Mark Stone
Chair of the Assembly Judiciary Committee
1020 N Street, Room 104
Sacramento, CA 95814

The Honorable Buffy Wicks
Chair of the Assembly Housing
and Community Development Committee
1020 N Street, Room 156
Sacramento, CA 95814

RE: AB 854 (Lee) Ellis Act Reform – SUPPORT

Dear Assemblymembers Stone and Wicks:

On behalf of East Bay Housing Organizations, I write to express our strong support for Assembly Bill 854 (Lee), which seeks to stop speculator evictions by requiring five years of ownership before the Ellis Act can be invoked.

EBHO is a non-profit, member-driven organization with over 300 organizational and individual members. For 35 years, we have worked to preserve, protect, and create affordable housing opportunities for low-income communities in the East Bay by educating, advocating, organizing, and building coalitions.

The Ellis Act was originally passed (SB 505, 1985) to protect small “mom and pop” landlords who could no longer tend to their rental property. The Ellis Act was originally passed in 1985 to allow “mom and pop” property owners the opportunity to get out of the rental housing business without selling their property. When the Ellis Act passed, it was expected it would not be used very often since few landlords intend to keep their buildings vacant. For over a decade after the Ellis Act’s passage, it was rarely used. However, a series of court decisions vastly expanded the Act’s reach. Instead of requiring units to sit vacant, courts held that owners could convert the rental units to ownership. This led to speculators buying buildings and then “going out of the rental housing business” soon after. Eviction notices to long-term tenants and the permanent removal of affordable rental units followed. Studies show that many Ellis Act evictions are done by developers who have owned the property less than a year; indicating that these developers had no intent of being in the rental business in the first place. The Ellis Act has resulted in the loss of tens of thousands of affordable rent control units and the displacement of tenants throughout California. Targeted tenants of Ellis evictions tend to be long-term, elderly, and disabled individuals — some of the most vulnerable tenants in California.

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The vast majority of Ellis Act evictions occur within 5 years of the owner purchasing the property, as speculator developers will often purchase the property and “go out of business” immediately after. The Ellis Act has become a major loophole for speculator developers to destroy California’s rent-controlled housing for a profit. With California’s major housing crisis afoot, it is more important than ever to protect our stock of rent- controlled housing and keep tenants housed. AB 854 would prohibit a rental housing owner from removing a building from the market pursuant to the Ellis Act unless all owners in the property have held their ownership interest for at least five years. This bill would put an end to the speculator evictions loophole.

We are committed to stopping cruel speculator evictions and protecting California’s most vulnerable tenants. For these reasons, we strongly support AB 854.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Levin".

Jeffrey Levin
Policy Director

cc: The Honorable Alex Lee
The Honorable Richard Bloom
The Honorable Phil Ting