January 5th, 2022

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

CC: The Honorable Alex Lee

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

Chair Wicks,

The California Alliance for Retired Americans (CARA), one of the state’s foremost grassroots senior and disability advocacy organizations, representing over 1 million Californians, supports AB 854 (Lee) which seeks to stop speculator evictions by requiring five years of ownership before the Ellis Act can be invoked and respectfully requests your AYE vote.

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.

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.

Affording Seniors viable resources to age with grace, dignity and independence - such as protecting affordable housing - not only represent CARA’s foundational principles but we believe will ensure a safer, more accessible and inclusive California for our aging community; AB 854 (Lee) codifies these aspirations into law by protecting the housing of our Seniors.

CARA respectfully urges your AYE vote on AB 854 (Lee).

Sincerely,

Hene Kelly  
Chair, Legislative Committee  
California Alliance for Retired Americans (CARA)

Keith Umemoto  
Co-Chair, Legislative Committee  
California Alliance for Retired Americans (CARA)