

AMENDED IN SENATE JANUARY 4, 2016

**SENATE BILL**

**No. 364**

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**Introduced by Senator Leno**  
(Principal coauthor: Assembly Member Chiu)

February 24, 2015

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An act to add Section 7060.8 to the Government Code, relating to residential real property.

LEGISLATIVE COUNSEL'S DIGEST

SB 364, as amended, Leno. 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 authorize the City and County of San Francisco to prohibit an owner of accommodations from filing a notice of an intent to withdraw accommodations or prosecuting an action to recover possession of accommodations, or threatening these actions, unless all the owners of the accommodations have been owners of record for 5 continuous years or more, except as specified, or *from doing so* with respect to property that the owner acquired within 10 years after providing notice of an intent to withdraw accommodations at a different property. The bill would also permit the city and county to require an owner of accommodations notifying the city and county of an intention to withdraw accommodations from rent or lease to identify each person or entity with an ownership interest in the accommodations, and to identify all persons or entities with an ownership interest in an entity.

This information would be available for public inspection. The bill would provide specified, nonexclusive remedies that the city and county would be authorized to impose for a violation of these provisions.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

Vote: majority. Appropriation: no. Fiscal committee: no.

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) This section shall apply only to a city that is also  
4 a county.

5 (b) Notwithstanding any other provision of this chapter, the city  
6 and county by ordinance or ballot measure may provide that:

7 (1) (A) An owner of accommodations shall not file a notice  
8 with a public entity of an intent to withdraw accommodations  
9 pursuant to this chapter, prosecute an action to recover possession  
10 of accommodations pursuant to this chapter, or threaten to do either  
11 of these things, unless all the owners of the accommodations have  
12 been owners of record for five continuous years or more. If an  
13 owner of record is not a natural person, then all persons or entities  
14 with an ownership interest in that entity shall have held that interest  
15 for five continuous years. ~~The~~ *For purposes of determining whether*  
16 *all the owners of the accommodations have been owners of record*  
17 *for five continuous years or more, a change in the owner of record*  
18 *shall not occur under either of the following circumstances:*

19 (i) *When a revocable trust is created and the accommodations*  
20 *are transferred to the trust.*

21 (ii) *When the accommodations are inherited by a spouse, child*  
22 *or children, or grandchild or grandchildren.*

23 (B) *The five-year ownership requirement in this paragraph shall*  
24 *not apply to an owner of accommodations who is a natural person,*  
25 *person or persons, who owns no more than two properties, and*  
26 *who owns no more than a total of four residential units. For*  
27 *purposes of this subparagraph, an owner of accommodations who*  
28 *is a natural person or persons includes an owner of*  
29 *accommodations held by a revocable trust in which the beneficiary*  
30 *or beneficiaries is a natural person or persons.*

1 (2) If an owner of accommodations files a notice of intent with  
2 the public entity to withdraw accommodations under this chapter,  
3 and the owner subsequently acquires a new property containing  
4 accommodations within 10 years of that filing, the owner shall not  
5 withdraw accommodations pursuant to this chapter, prosecute an  
6 action to recover possession of accommodations pursuant to this  
7 chapter, or threaten to do either of these things, with respect to the  
8 later acquired property. For purposes of this paragraph, an owner  
9 of accommodations includes any person or entity with an  
10 ownership interest in an entity that owns the accommodations.

11 (3) An owner of accommodations, or any person or entity with  
12 an ownership interest in an entity that owns the accommodations,  
13 shall not act in concert with a coowner, successor owner,  
14 prospective owner, agent, employee, or assignee, to circumvent  
15 the limitations of paragraph (1) or (2).

16 (4) An owner of accommodations notifying the city and county  
17 of an intention to withdraw accommodations from rent or lease  
18 shall identify each person or entity with an ownership interest in  
19 the accommodations, and if any entity is not a natural person,  
20 identify all persons or entities with an ownership interest in that  
21 entity. This information shall not be confidential and shall be  
22 available for public inspection.

23 (c) The city and county may provide that a person or entity that  
24 violates the provisions described in subdivision (b) is liable to the  
25 tenant or lessee for actual damages, special damages of not less  
26 than two thousand dollars (\$2,000) for each violation, and  
27 reasonable attorney fees and costs in an amount fixed by the court.  
28 The remedy provided by this section is not exclusive and shall not  
29 preclude either the tenant or lessee from pursuing any other remedy  
30 provided by law.

31 SEC. 2. The Legislature finds and declares that a special law  
32 is necessary and that a general law cannot be made applicable  
33 within the meaning of Section 16 of Article IV of the California  
34 Constitution because of the recent significant increase in the  
35 evictions under the Ellis Act in the City and County of San  
36 Francisco and the consequent displacement of long-time residents  
37 and severe reduction of availability of affordable rental housing  
38 in San Francisco.

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