



# Administrative Report

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N.3., File # 24-0453

Meeting Date: 3/19/2024

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**To:** MAYOR AND CITY COUNCIL  
**From:** LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY COUNCIL'S POLICY POSITION ON CALIFORNIA ASSEMBLY BILL (AB) 2230 (BENNETT) WHICH SEEKS TO APPLY RESIDENTIAL HOUSING TO CALIFORNIA'S PRINCIPAL ANTITRUST LAW AND CLARIFY THAT CITY ATTORNEYS MAY INVESTIGATE AND PROSECUTE ANTI-COMPETITIVE BEHAVIOR

PROVIDE DIRECTION TO STAFF ON THE PREPARATION OF A LETTER OR RESOLUTION ARTICULATING THE CITY'S POSITION ON AB 2230

## **EXECUTIVE SUMMARY**

California Assembly Bill 2230 (AB 2230) was introduced on February 8, 2024 by State Assembly Member Steve Bennett and seeks to clarify that California's antitrust laws can be applied to anti-competitive practices occurring in residential housing and would clarify that City Attorneys may investigate and prosecute anti-competitive behavior.

## **BACKGROUND**

On March 5, 2024 the City Council requested staff return with an agenda item to discuss AB 2230. If passed, AB 2230 would explicitly list residential housing as part of the Cartwright Act and empower City Attorneys to enforce violations of the Cartwright Act, or other anti-competitive behavior.

Enacted in 1907, California's Cartwright Act makes it illegal for two or more persons to restrain trade, fix prices or production, or reduce competition in an economic marketplace. AB 2230 seeks to limit the power of institutional investors to purchase a high percentage of the available housing, thereby hindering the ability of individuals and families to compete for the limited housing stock that is available.

This agenda item provides the City Council an opportunity to discuss AB 2230 and give direction to staff on the preparation of a letter or resolution that reflects the City's position on the bill.

## **COORDINATION**

The City Manager's Office coordinated the preparation of this item with the City Attorney's Office.

## **FISCAL IMPACT**

There is no fiscal impact associated with this item.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- California Assembly Bill 2230