



Technical Assistance  
for Local Planning  
**HOUSING**



# Replacement Housing: A Guide for Local Government Staff

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# Webinar Overview



State law requirements  
for replacement housing



How Mountain View puts  
them into practice



Best practices and  
technical assistance

# Webinar Objectives

**Goal: Recognize when replacement housing issues arise.**

- Replacement requirements apply to most projects that demolish housing.
- Tenants in demolished units have specific legal rights.
- Best practices and tools are available to help.

# Overview of California Replacement Housing Requirements

Gabrielle Janssens  
Goldfarb & Lipman

# What Is Replacement Housing?

- **Big Picture:**
  - If a project proposes to demolish residential units, it must construct the same number of units as are being demolished.
  - Ensures affordable units are not lost through new development.
- Replacement housing requirements should be verified as part of the land use project entitlement process.

# Applicable State Laws

- Density Bonus Law (Gov. Code Sec. 65915)
- Housing Element Law (Gov. Code Sec. 65583.2)
- Housing Crisis Act (SB 330) (Gov. Code Sec. 66300 et seq.)

# Question 1: Replacement Triggers

Which of the following may trigger replacement housing requirements?  
(Select all that apply)

1. Density bonus project
2. Development project on a Housing Element site
3. Market-rate housing project
4. Commercial development project
5. Demolition of vacant apartment building

# Answer 1: Replacement Triggers

Which of the following may trigger replacement housing requirements?  
(Select all that apply)

1. Density bonus project
2. Development project on a Housing Element site
3. Market-rate housing project
4. Commercial development project
5. Demolition of vacant apartment building

**Answer:** All may trigger, depending on the facts.



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# Density Bonus Law: When Replacement Requirements Apply

Replacement requirements apply when a density bonus project:

- Proposes to demolish rental housing, or
- Rental housing existed on the site within the past five years.

# Density Bonus Law: Which Units Must Be Replaced

- Units must be replaced if rental housing currently exists or existed on the site within the past five years and are:
  - Subject to a **recorded covenant, ordinance, or law that restricts rent levels** affordable to persons and families of lower or very low income;
  - Subject to any form of **rent or price control**; or
  - **Occupied by lower or very low-income households.**
- **Good to Know:** Replacement units count towards meeting density bonus requirements.

# Question 2: Density Bonus Law Replacement Triggers

Which of these statements are true for Density Bonus Projects?

1. Unpermitted units do not need to be replaced.
2. Units demolished four years ago may trigger replacement requirements.
3. Rent-controlled units occupied by moderate income tenants never need to be replaced.

# Answer 2: Density Bonus Law Replacement Triggers

Which of these statements are true for Density Bonus Projects?

1. Unpermitted units do not need to be replaced.
2. Units demolished four years ago may trigger replacement requirements.
3. Rent-controlled units occupied by moderate income tenants never need to be replaced.

**Answer:** 2 and is True; 1 and 3 are False.

# Density Bonus Law: Replacement Unit Standards

- At least the same number of units of **equivalent size** must be provided.
  - “Equivalent size” means the replacement unit contains at least the same total number of bedrooms as the unit being replaced.
- If lower-income tenants occupied the unit (now or within five years):
  - The replacement unit must be offered at an **affordable rent to households in the same or lower income category.**
- If tenant income is **unknown**:
  - The income level of required replacement units is determined using HUD’s Comprehensive Housing Affordability Strategy (CHAS) data.

# Question 3: Unknown Tenant Income

A duplex is proposed to be demolished and replaced with a mixed-use building.

- **Unit 1:** Vacant for 10+ years.
- **Unit 2:** Vacant for three years. Most recent tenant was moderate income when they moved in eight years ago.

**What is the correct next step?**

1. Find that no replacement units are required.
2. Try to determine the income of the former occupant of Unit 2. Use CHAS data if income remains unknown.
3. Deny the application.

# Answer 3: Unknown Tenant Income

A duplex is proposed to be demolished and replaced with a mixed-use building.

- **Unit 1:** Vacant for 10+ years.
- **Unit 2:** Vacant for three years. Most recent tenant was moderate income when they moved in eight years ago.

**What is the correct next step?**

1. Find that no replacement units are required.
2. Try to determine the income of the former occupant of Unit 2. Use CHAS data if income remains unknown.
3. Deny the application.

**Answer: #2** is the correct answer.



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# Housing Element Law

- Replacement applies when:
  - Project is located on a **non-vacant site** identified in a housing element site inventory; and
  - Rental housing exists or existed on the site within the past five years.
- Same replacement requirements apply as under Density Bonus Law.

# SB 330: When Replacement Requirements Apply

- **Residential projects.** Must include at least as many units as the greatest number that existed on the site in the last five years.
  - It does not matter if the units are protected or not.
- **All Development Projects (including nonresidential).** Must replace:
  - Any protected units to be demolished by the project; and
  - Any protected units that were demolished on the site in the past five years.

# SB 330: Protected Units

- **Same three categories as in Density Bonus Law.** Units that currently exist or existed within past five years and are:
  - Subject to a **recorded covenant, ordinance, or law restricting rent levels** affordable to lower- or very-low-income households;
  - Subject to any form of **rent or price control**; or
  - **Occupied by lower- or very-low-income households.**
- **Plus, one additional category under SB 330:**
  - Units withdrawn from rent or lease under the **Ellis Act within the past 10 years.**

# SB 330: Replacement Applies Only in Affected Cities and Counties

- **“Affected city”**: A city that HCD determines is in an urbanized area or urban cluster as designated by the U.S. Census Bureau.
- **“Affected county”**: A census-designated place wholly located within the boundaries of an urbanized area as designated by the U.S. Census Bureau.
- HCD publishes a list of affected cities and counties.
  - See the [HCD SB 330 Affected Cities and Counties map](#) for reference.

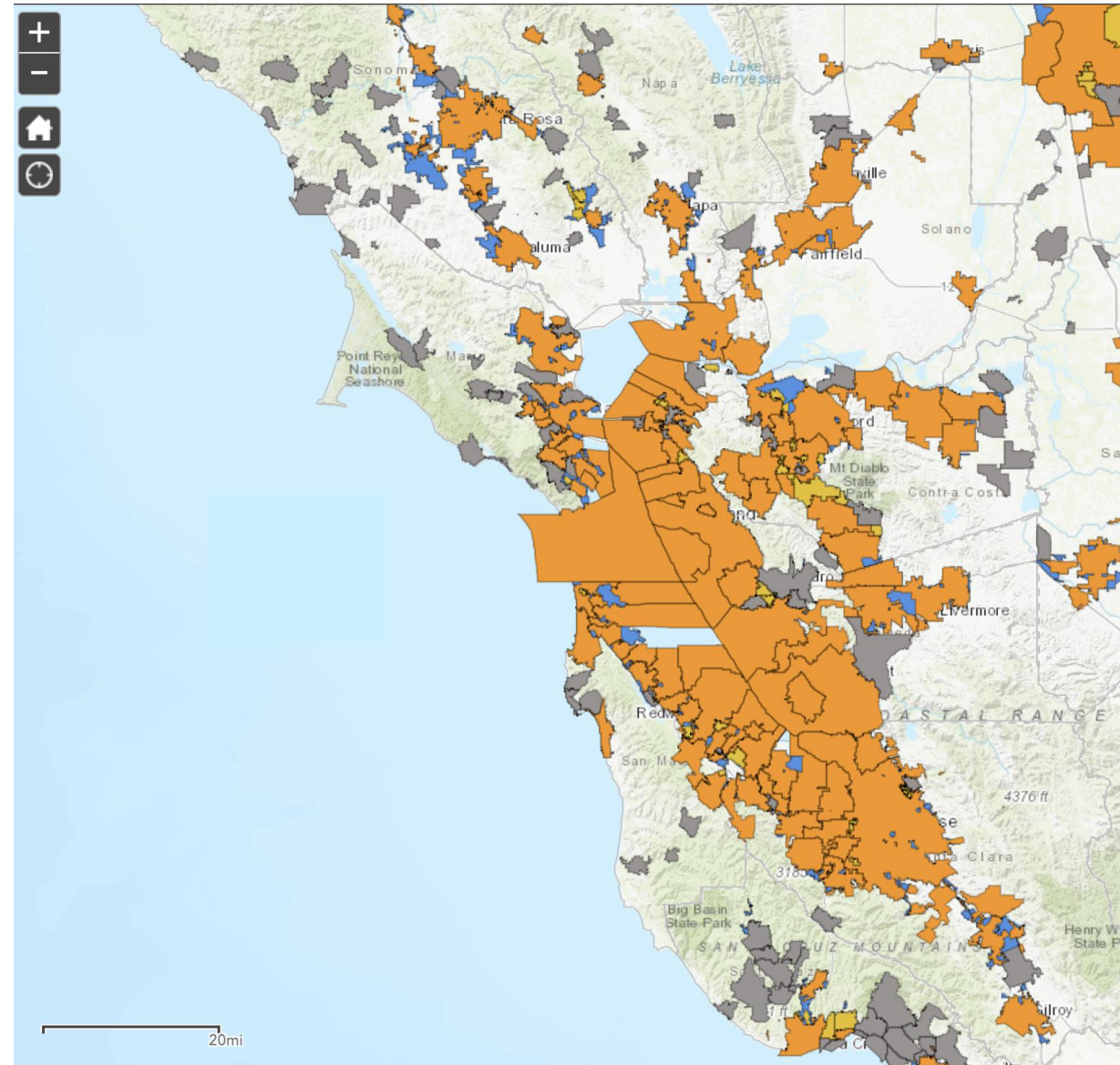
# Affected Jurisdictions

Is your jurisdiction an affected city or county?

Answer in the chat!

- Yes
- I'm not sure
- No

 SB 330 Affected Cities and Counties



# Question 4: SB 330 Replacement Requirements

A developer proposes to knock down an abandoned triplex and build a supermarket in an affected city. Which statement is true?

1. All three units must be replaced, regardless of their protected status.
2. Only protected units must be replaced.
3. Commercial developments have no replacement requirements.

# Answer 4: SB 330 Replacement Requirements

A developer proposes to knock down an abandoned triplex and build a supermarket in an affected city. Which statement is true?

1. All three units must be replaced, regardless of their protected status.
2. Only protected units must be replaced.
3. Commercial developments have no replacement requirements.

Answer: #2 is true.

# SB 330: Replacement Unit Standards

- **Housing projects:**
  - Replacement units must be on-site.
- **Nonresidential projects:**
  - May locate replacement housing elsewhere in the same jurisdiction.
  - Replacement units must be built before or concurrently with the development project.
  - Project proponent may contract with another entity to develop the replacement housing.

# Equivalent Size Rule

- Replacement units must meet or exceed both the **number** and total **bedroom count** of demolished units.
- **What this means:**
  - Count up the total bedrooms in the units being demolished.
  - Replacement units must contain at least that many bedrooms total.
  - You can split bedrooms across more units – but you can't reduce the unit count.
- **Affordability must match or go deeper.**

# Question 5: Equivalent Size

Which of the following scenarios are allowed? (Select all that apply)

1. Project replaces one three-bedroom VLI unit with three one-bedroom VLI units
2. Project replaces one two-bedroom LI unit with one two-bedroom VLI unit
3. Project replaces two one-bedroom VLI units with one two-bedroom VLI unit
4. Project replaces one studio VLI unit with one studio LI unit

# Answer 5: Equivalent Size

Which of the following scenarios are allowed? (Select all that apply)

1. Project replaces one three-bedroom VLI unit with three one-bedroom VLI units (1 unit, 3 bedrooms → 3 units, 3 bedrooms)
2. Project replaces one two-bedroom LI unit with one two-bedroom VLI unit (LI → VLI)
3. Project replaces one one-bedroom VLI units with one two-bedroom VLI unit (1 unit, 1 bedroom → 1 unit, 2 bedrooms)
4. Project replaces one studio VLI unit with one studio LI unit (VLI → LI)

**Answer: 1, 2, and 3 are allowed.** Bedroom count and unit count must be equal or greater; affordability must match or be deeper.

# SB 330: Tenant Protections

- Existing occupants may occupy units until six months before the start of construction.
- If the project is not developed and the property is returned to the rental market, existing occupants may return at their prior rental rate.
- If the current tenant is lower income:
  - Relocation benefits equal to the relocation requirements of public agencies.
  - Right of first refusal for a comparable unit, with some exceptions.

# Key Takeaways

- Replacement housing applies more broadly than many would expect.
- Tenants in demolished units have specific legal rights.
- **Action Item.** Update application checklists for development projects to request:
  - When each unit was last occupied by tenants
  - Documentation showing income of the most recent or current tenants
  - If/when units were demolished within the past five years
  - If any units were removed from the rental market via Ellis Act in the past 10 years

# Consult with counsel

Consult with counsel when questions arise about:

- Tenants with unknown income
- Whether a unit is protected
- Whether replacement requirements apply



# Questions? (1 of 3)

# City of Mountain View: SB 330 Replacement Housing Requirements

Anky van Deursen



City of  
**Mountain View**

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# SB 330 Challenges

Interpretation  
challenges

Gray areas

Not in sync  
with other  
State  
replacement  
requirements



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# Mountain View's Local Response

- Revise local Tenant Relocation Assistance Ordinance (TRAO)
  - SB 330 language now in local code
- Goals
  - To fill procedural gaps,
  - Align state and local requirements, and
  - Provide clearer timelines for landlords, tenants, and city staff.

## DIVISION 2 - RELOCATION PROCEDURES

### SEC. 46.2-2.5 - Displacement Related to Development and Building Permits

#### a. Unit Inventory.

1. As part of any development project Application that will result in Tenant displacement, the Landlord must submit a "Unit Inventory" to the City. This inventory must identify all affected Rental Units, including unpermitted units. For each affected Rental Unit, the Unit Inventory must include the occupancy status as of the date of Application, name(s) of the current or most recent occupants, the household size, number of bedrooms and square footage of each Rental Unit, whether the Tenant is eligible for a right of first refusal, and household income of the current or most recent occupants.

The household income shall be submitted on a City income verification form completed and signed by the occupants. If income cannot be verified, Landlord shall submit a statement signed under the penalty of perjury explaining that the household income is not known and could not be determined, despite good faith efforts.

If the Tenant is eligible for the right of first refusal, the Unit Inventory also shall include the Tenant's contact information as provided by the Tenant.

- If any vacant Rental Unit was occupied at any time within the five (5) years before the project Application is submitted, the Landlord must include in the Unit Inventory a full explanation of how and when the Rental Unit became vacant. This explanation must show that the Rental Unit was vacated through a lawful process.

If the Unit Inventory shows that a Rental Unit became vacant through an unlawful process, or the Landlord does not provide sufficient documentation to show that all previously occupied Rental Units became vacant lawfully, the City shall deny the permit Application unless doing so would violate State law or the Landlord identifies

# Key Features of TRA0

- Tenant relocation assistance for households making up to 120% AMI for permanent and temporary displacement
- Moving costs for all displaced tenants
- First Right of Return/First Right of Refusal
- Fifteen-step replacement procedure for landlords
- Third-party agency verification and administration
- Escrow for relocation funds

# Tenant Rights Under TRA0

- **First Right of Refusal (80% AMI)**
  - Comparable unit in the new development at an affordable rent or cost
- **Affordable rent = 30% of gross monthly income**
  - If income is unknown, use CHAS data
  - Mountain View CHAS data
    - 24% of renters earn up to 50% AMI (very low-income)
    - 12% of renters earn up to 80% AMI (low-income)



# TRAO Replacement Process: Steps 1-3

- 1. Landlord submits Tenant Relocation Assistance Compliance Plan with application, including:**
  - Unit inventory form (on City-issued format)
  - Income verification forms signed by each tenant
  - Statement/proof that procedures were followed
- 2. City sends informational letter to tenants within 30 days of application**
- 3. Landlord pays cost of third-party agency to City, the City contracts with agency**

# TRAO Replacement Process: Steps 4-7

4. Landlord places relocation funds in escrow for third-party agency to disburse
5. Notice of Property Redevelopment to tenants — at least one year before vacate date
  - Copy provided to third-party agency
6. Notice of Intent to Withdraw Units from rental market under Ellis Act, if applicable
7. Complete notarized public record of summary Notice of Intent to Withdraw Rental Units under Ellis Act, if applicable

# TRAO Replacement Process: Steps 8-11

8. Send Notice of Termination to tenants
9. Tenants apply for relocation assistance; third-party agency determines eligibility
10. Update notice/tenants at least six months before vacate date (SB 330 requirement)
11. First Addendum to Unit Inventory — prior to demolition or building permit

# TRAO Replacement Process: Steps 12-15

- 12.** Notify tenants of Right of First Refusal (60 days before Certificate of Occupancy)
- 13.** If tenant wants to return, negotiate lease (similar to old one). Landlord holds unit vacant for 60 days
- 14.** Second Addendum to Unit Inventory — prior to Certificate of Occupancy
  - Documents compliance with Right of First Refusal
- 15.** All unit inventories need to be signed under penalty of perjury

# Questions? (2 of 3)

# Implementing Replacement Requirements

Diana Elrod

# Replacement Requirements Are Challenging

- Three overlapping state laws, each with distinct triggers and rules.
- Developers often don't know replacement obligations exist until after they've submitted their development application.
- Reconstructing tenant income histories from the prior five years is difficult.
- Most planning departments lack staff capacity for tenant verifications.
- Tenants don't know they're entitled to relocation benefits or a right of first return.
- Are there other challenges your jurisdiction is facing? Respond in the chat.

# Implementation and Best Practices

# Tenant Income Verification Methods

## Developer-Led

- Developer verifies tenant history, confirms benefits, conducts compliance monitoring.
- Jurisdiction accepts developer's data and calculations.
- Requires the least time and effort.

## Jurisdiction-Led

- Staff undertakes all verification efforts directly.
- Time- and effort-intensive.
- Larger cities are best suited to undertake.

## Third Party-Led

- Jurisdiction hires consultant to undertake all verification efforts.
- Less burden on staff, although still requires coordination.
- Cost associated with hiring a consultant.
- Best practice in most cases.

# Rental Registry

**Why:** Helps track rent-controlled, affordable and low-income units over time.

**Level of Effort:** Requires a significant lift at inception, especially in identifying what kinds of information should be collected. Once established, can be updated relatively simply.

## Key Challenges

- Significant up-front technology investment required
- Property owner pushback - concerns about regulatory burden
- Requires baseline survey of existing residential properties

# Going Beyond State Law

## Extended Right of Return

- **Why:** SB 330 grants right of first refusal but does not indicate how long the right lasts.
- **Consider:** Guaranteeing right of return for at least 12-24 months after completion of new units. Requiring ongoing noticing to tenant.

## Benefits for Special Needs Tenants

- **Why:** SB 330 does not provide additional assistance to income-eligible households with special needs.
- **Consider:** Providing additional monetary assistance to special needs households.

# Replacement Housing Technical Assistance Products

# Model Scope of Services for Third Party Verifications Services - SB 330 and Density Bonus

- Assistance to help verify tenant history, confirm benefits, and monitor compliance.
- Scope can be edited based on jurisdiction's needs.

## Template Scope of Services for Third-Party Verification Services: SB 330, Density Bonus, and Ellis Act Replacement Housing Compliance

**DISCLAIMER:** This template scope of services is provided solely for informational purposes to assist jurisdictions in drafting third-party verification service requests related to compliance with SB 330, the Ellis Act and Density Bonus Law. It is not legal advice and should not be relied upon as a definitive interpretation of state legislation or local regulations. Jurisdictions should consult with their city attorney or county counsel to ensure consistency with local codes, legal requirements and project-specific circumstances.

### 1. Introduction

**[Jurisdiction Name]** seeks proposals from qualified firms to provide third-party verification services for identifying and documenting the income levels of households that may have resided in units proposed for demolition. These services are critical to ensuring compliance with the replacement housing provisions of California Senate Bill (SB) 330, Ellis Act, and Density Bonus Law, which require jurisdictions to determine if any housing units have been occupied by low-income households (those earning less than 80% of Area Median Income) within the past five years (or 10 years, for Ellis Act units) and to calculate the resulting replacement obligations.

### 2. Scope of Work

The selected firm will be required to perform the following services:

#### A. Historic Income Verification (SB 330, Ellis Act and State Density Bonus Compliance)

- Research and identify whether units proposed for demolition are currently or were previously occupied by low-income households within the previous five years.

# Sample Replacement Housing Programs

- Provides links to sample programs, from simple to more complex.
- Additional policy recommendations and implementation strategies.



**DISCLAIMER:** This guide is intended solely as a high-level summary of Replacement Requirements associated with SB 330 (2019). It is not legal advice regarding any jurisdiction's specific policies or any proposed project. Local staff should consult with their city attorney or county counsel when determining how to implement this new piece of legislation.

## Replacement Units – Sample Programs for SB 330 (2019)

SB 330, known as the Housing Crisis Act of 2019, mandates that when protected units are demolished, they must be replaced with units of equivalent size and affordability. Additionally, lower-income displaced tenants are entitled to relocation benefits and a right to return to a comparable unit in the new development (sometimes called right refusal).

California jurisdictions have taken different approaches to meeting the rules. Some use a developer-driven process, where the city provides information, but the developer leads (e.g. interviewing tenants about their income). In other cases, the jurisdiction does the analysis themselves or requires the developer to hire a nonprofit. Additionally, some jurisdictions have supplemented the law with additional requirements to protect tenants.

This document is organized in two parts: 1) Options for jurisdictions to comply with SB 330, and 2) Options to go beyond the state law.

Additional information on these requirements may be found in [The Regional Housing Technical Assistance \(RHTA\) Program's Guide to California State Replacement Housing Requirements](#).

## Part 1 – Programs to Meet SB 330 Requirements

### Developer-Led Process

# List of Tenant Service Providers

Bay Area providers that offer potentially relevant services, such as:

- Compliance verification,
- Relocation assistance, and
- Legal aid.



**DISCLAIMER:** This document provides contact information for Bay Area organizations offering compliance verification, relocation assistance, and legal aid services. All contact information and descriptions of services were provided by the organizations themselves in a voluntary survey. They are listed in alphabetical order. This list is NOT intended as an endorsement or recommendation of any of these organizations, nor is it intended to be an exhaustive list. It is intended primarily to aid jurisdictions who are seeking tenant service providers, sending out RFIs/RFQs (Requests for Information/Qualifications) etc.

## List of Bay Area Tenant Service Providers

Updated December 2025

### Autotemp, Inc.

|                   |                                                                                                                                                                                                             |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contact           | Linh Inokuchi, President                                                                                                                                                                                    |
| Email             | <a href="mailto:info@autotempservices.com">info@autotempservices.com</a>                                                                                                                                    |
| Phone             | (888) 202-9195 ext: 7                                                                                                                                                                                       |
| Address           | 275 Reflections Drive, #26, San Ramon CA 94583                                                                                                                                                              |
| Website           | <a href="http://autotempservices.com">autotempservices.com</a>                                                                                                                                              |
| Counties served   | Contra Costa County                                                                                                                                                                                         |
| Services provided | Outreach: Conduct outreach to current and former tenants, including multilingual outreach, Replacement Obligations: Calculate replacement obligations and ensure the developer provides benefits to tenants |

### Bay Area Legal Aid

|         |                                  |
|---------|----------------------------------|
| Contact | Lisa Greif, Supervising Attorney |
|---------|----------------------------------|

# Template Letters to Developers and Tenants

- Letter to Developers: Advises them of their obligation to comply with the law.
- Letter to Tenants:
  - Advises them they may be eligible for benefits.
  - May be used to request more info.

[Date]

[Developer Name]

[Developer Address]

RE: Notice of Tenant Rights - Housing Crisis Act of 2019<sup>1</sup>

Dear [Developer Name]:

This letter is to advise you of tenants' rights with respect to the construction of new development that will require the demolition of existing housing units. The Housing Crisis Act of 2019 requires that cities and counties ensure that tenants receive certain benefits provided by the Act and verify that the owner will replace any apartments occupied by lower-income households with units that remain affordable.

**Your obligations exist even if you do not know the income of your tenants. Failure to follow these rules can have serious consequences. Consult with an attorney before moving forward.**

Failure to follow the requirements of the Housing Crisis Act of 2019 regarding relocation assistance and replacement housing may result in substantial penalties. These requirements are based on tenant incomes in addition to whether units were previously rent-controlled or deed-restricted. For example, where tenant incomes within the last five years cannot be determined, affordable replacement units must be provided based on the jurisdiction-wide proportion of lower-income renters. **[Note: Consider including the following sentence, if applicable in the jurisdiction. Alternatively, if the units that will be demolished are subject to local rent control, the [City/County] may, in its sole discretion, require that these units be replaced in compliance with the [City's/County's] rent control ordinance.]** Further, all replacement units must be deed-restricted for 55 years. We urge you to refer to guidance provided by ABAG/MTC, at <https://bit.ly/replacementhousing>, and consult with an attorney. The following provides additional information on the requirements.

## Benefits to All Tenants

All tenants have the right to remain in their apartment until six months before the start of construction of a project if it is approved. In addition, any tenants that are required to leave

# Replacement Unit Guidance Worksheet

- Helps planning and housing staff double-check internal calculations.
- Not a replacement for the jurisdiction's final determination.
- Coming soon.

## Replacement Unit Guidance Worksheet

The guidance below is based on the inputs provided in the prior tabs.

### Key Results Summary

|                                                                                 |   |
|---------------------------------------------------------------------------------|---|
| Minimum number of replacement units required (for housing development projects) | 6 |
| Number of protected units that must be replaced                                 |   |
| Very Low income                                                                 | 3 |
| Low Income                                                                      | 2 |
| Total                                                                           | 5 |
| Number of tenants eligible for relocation / right of first refusal              | 4 |

### Detailed Results

#### A. Minimum Number of Replacement Units Required for Housing Development Projects

If the proposed project is a housing development project, it must provide at least as many residential dwelling units as the greatest number of residential dwelling units that existed on the project site within the past 5 years. The proposed project's replacement unit requirements are itemized below. Any Protected Units identified in Sections B and C must be included among these replacement units. If the new development consists of for sale units, replacement units must be for sale.

|             |   |
|-------------|---|
| Total Units | 6 |
|-------------|---|

#### B. Number of Households Eligible for Relocation and Right of First Refusal Benefits

Development Projects subject to SB 330 must offer relocation benefits and right of first refusal to lower income occupants of Protected Units.

# Questions? (3 of 3)



# Thank You.

Contact us: [HousingTA@bayareametro.gov](mailto:HousingTA@bayareametro.gov)