

COUNCIL

REPORT

DATE: December 9, 2025

CATEGORY: Consent

DEPT.: Housing

TITLE: Code Amendment to Chapter 36

(Zoning)—Tenant Relocation Assistance

Ordinance (First Reading)

RECOMMENDATION

Introduce an Ordinance of the City of Mountain View Repealing Chapter 36, Article XIII (Tenant Relocation Assistance) of the Mountain View City Code, Amending Chapter 46 of the Mountain View City Code to Change the Title and Add a New Article Governing Tenant Relocation Assistance, and Finding That These Code Amendments are Not Subject to the California Environmental Quality Act, to be read in title only, further reading waived, and set a second reading for January 27, 2026 (Attachment 1 to the Council report).

BACKGROUND

The City's state-certified 2023-31 Housing Element includes Program 3.2 related to displacement prevention and mitigation efforts. Program 3.2 includes a comprehensive list of policies, programs, and actions to address tenant displacement, including the following:

- Objectives and Metrics: "Assist all displaced eligible tenants in receiving SB 330/Tenant Relocation Assistance to partially mitigate displacement impacts. Evaluate the efficacy of TRAO in meeting anti-displacement goals, such as being able to stay in Mountain View."
- Milestone and Timeframe: "Evaluate the efficacy of TRAO by December 31, 2024."

Process

The City implemented the following process to advance this Housing Element item:

- Summer 2024 Stakeholder meetings (tenants, landlords, and developers) were held to receive input on potential TRAO amendments.
- November 14, 2024 The Rental Housing Committee (RHC) held a Study Session and recommended that Council approve staff's recommended amendments to improve the efficacy of TRAO.

- December 17, 2024 The City Council held a Study Session and supported staff's recommendations and provided feedback for staff to further review options to increase relocation benefits. This Study Session met the Housing Element deadline to evaluate the efficacy of TRAO by December 31, 2024.
- September 17, 2025 The Environmental Planning Commission (EPC) held a Public Hearing to review the draft TRAO amendments based on the December 2024 Study Session, and to provide a recommendation to the City Council. The EPC unanimously supported all of staff's recommendations, with three additional items for consideration.¹
- October 28, 2025 Council conducted a First Reading in a Public Hearing to consider the TRAO text amendments. Council approved a motion that includes direction to staff to bring the item back for a first reading in December 2025 as a Consent item, and to obtain stakeholder input regarding additional flexibility in temporary displacement situations, the relocation benefits process for tenants who are voucher holders, and establishing a cap on moving costs. These items are discussed in detail in the Analysis section below.
- November 12 and 14, 2025 After the October 28 City Council meeting, staff held stakeholder meetings on November 12 (tenant-focused) and November 14 (landlord- and developer-focused). Both meetings were held in a hybrid format, allowing participants to attend either in person or virtually. A total of 10 participants attended the tenant-focused meeting and 12 attended the landlord- and developer-focused meeting. Stakeholder input is summarized in the Analysis section below under each Council-directed item.

ANALYSIS

The following is a summary of the Council motion, composed of several items, that was approved (5-2 vote) during the October 28 meeting. Each item below provides a summary of input received during the November 12 and 14 stakeholder meetings (if any), staff's evaluation, and the recommendation.

• <u>Directed staff to bring the ordinance back for first reading on the Consent Calendar on or before December 16, 2025, and replace Section 46.2-1.25(b)(5) with the following language:</u>

"Duration Extended. In the event the duration of the Temporary Relocation extends more than ninety (90) days, the Tenant shall be eligible, at the Tenant's election, either to continue receiving the temporary relocation benefits set forth in this section until

¹ EPC's three additional considerations include: 1) methods for tenants to stay informed and monitor the progress of redevelopment projects; 2) a moving cost "bonus" for displaced tenants; and 3) alternative means of compliance that are of at least "equivalent value" to the TRAO benefits. Staff have incorporated 1 and 3, and does not recommend a moving cost bonus.

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the Tenant is able to return to the Rental Unit, or to elect permanent relocation benefits in accordance with Section 46.2-1.20.

If the Tenant voluntarily elects not to return for reasons other than the Landlord's failure to timely complete the work or to make the unit available for re-occupancy, any temporary relocation assistance previously paid shall be credited toward the permanent relocation payment.

If the Landlord's actions or delay cause the unit to become unavailable for reoccupancy, the Tenant shall be entitled to the full permanent relocation benefits in addition to any temporary benefits already received."

Stakeholder input: Council did not seek stakeholder input on this item, and none was provided.

Staff evaluation: After the Council meeting, staff reviewed the replacement language above. Staff believes the intent of the replacement language is based on the premise that a tenant who is temporarily relocated should return to the original unit in order to have moving costs back to the original unit paid for; and that a temporarily displaced tenant who, of their own accord, opts for permanent relocation benefits rather than staying in temporary relocation should not receive moving cost benefits.

Staff appreciates the intention of the replacement language and wishes to clarify that a tenant in a temporary situation does not have the automatic right to opt for permanent relocation at any time of their choosing. The only time the temporarily displaced tenant can opt out of the temporary situation and into a permanent situation is if and when the temporary situation exceeds the time that the landlord had promised the tenant.² Therefore, a scenario of a tenant voluntarily electing not to return, as described in the proposed language above, would not occur.

Additionally, per below, staff recommends 1) additional flexibility for landlords due to unforeseen circumstances in temporary situations, which reduces the likelihood that a tenant becomes eligible to opt out of a temporary situation and 2) maximum moving costs, which provides landlords clarity and certainty which are understandably important to them.

Recommendation: Based on the evaluation above and recommendations for additional flexibility and maximum moving costs discussed further below, **staff believes that the**

² The purpose of this amendment as originally recommended is to reduce the likelihood that a temporary situation is dragged out, forcing tenants to remain in a temporary situation longer than initially promised. In this situation, tenants are allowed to opt out of a situation they did not expect to be in and receive permanent relocation benefits, thereby providing tenants with financial resources to find a replacement housing option.

replacement language above for Section 46.2-1.25(b)(5) is not necessary and recommends that it not be incorporated.

 Directed staff to provide opportunities for stakeholder engagement surrounding procedures for flexibility regarding the temporary displacement section of the ordinance to be included in staff's development of administrative guidelines.

As presented during the October 28 meeting, if renovations exceed 90 days, tenants who are temporarily displaced would have the option to 1) remain in the temporary situation or 2) choose to opt out of the temporary situation, receive permanent relocation benefits (if the tenant is income-eligible), and forego their right to return to the unit.

The Council expressed interest in providing landlords with flexibility in the event of unforeseen circumstances beyond the landlord's control that prevent completion of the renovations within 90 days, and directed staff to gather stakeholder input to inform the flexibility that may be included in the Administrative Guidelines.

Stakeholder input:

- Tenants:
 - There was general understanding that landlords may experience unforeseen circumstances outside of their control during a temporary displacement situation, and that a longer period of time was reasonable.
 - The group did not come to a specific consensus about how much additional time and flexibility was appropriate. However:
 - The group seemed to identify a theme that smaller renovations could have limited additional flexibility, while substantial renovations (such as entirely gutting and renovating a unit) could have more time.
 - Regarding a smaller renovation scope of work (which is the intent of the 90-day period, modeled off the 660 Mariposa renovation project), one participant commented that an additional 20% flexibility on top of the 90 days (i.e., an additional 18 days) could be reasonable. Another comment was that up to 180 days of total temporary displacement would be fine, but that might not work for others such as seniors.

 The top priority of tenants seemed to be that they are ensured right of first return to their renovated unit at rent levels allowed by the Community Stabilization and Fair Rent Act (CSFRA).

– Landlords/Developers:

- Landlords/developers do not want to extend the period of time more than expected, as delays cost money.
- The scope of work especially if it includes extensive renovations or electrical upgrades can take much longer than 90 days. Electrical upgrades specifically may require coordination with organizations such as PG&E, Bay Area Air Quality Management District (BAAQMD), etc., which can cause unexpected, substantial delays. For these substantial upgrades, up to 18 months would be reasonable.
- Even smaller renovations could take more time. For example, renovating decks could have surprises such as dealing with dry rot, needing new engineering drawings, etc. There could also be timing issues with procuring labor and supplies. For smaller renovations, the group felt that up to 180 days, with some additional flexibility beyond that, would be suitable.
- While the 660 Mariposa project was successfully completed in less than 90 days, it was a specific project with its own circumstances, and the experience of that project may not translate directly to other projects of similar scope.
- As such, a one-size-fits all approach will not work and a tiered-approach based on the scope of work was suggested.
- Using two hypothetical examples with a total of 180 days of temporary displacement, the group clearly preferred 120 days with an additional 60 days of flexibility, instead of 90 days (as originally proposed) with an additional 90 days of flexibility. The group felt that even an additional 30 days on the front end (120 days instead of 90 days) could help them avoid many issues, and the additional 60 days of flexibility would be an additional help if needed.
- One participant noted that once an apartment is renovated and has received all necessary permitting, the tenant should return in a reasonable timeframe.
- Temporary displacement benefits should be means-tested.

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Staff evaluation: Both groups noted that the scope of work is crucial for determining the actual time required for renovations. Staff noted to the groups that the 90-day time frame, as originally proposed, was intended to be used by projects with a more limited scope of work, using the 660 Mariposa project as an example; and that the temporary displacement provision is an option but not a requirement for landlords/developers to choose if they are considering renovations.

Furthermore, instead of the temporary displacement provisions, the landlord may propose an alternative means of compliance, which could include a different timeframe for temporary displacement if the renovations are more substantial and/or require coordination with other agencies, such as PG&E or BAAQMD. Therefore, the TRAO Amendments already include a two-tiered approach and flexibility for projects of varying scopes as suggested by the landlord/developer stakeholder group.

Legal counsel has also advised that if the Administrative Guidelines are to address grounds for extending the time period, the Ordinance needs to clarify that this issue can be addressed in the Administrative Guidelines.

Recommendation: Staff recommends modifying Section 46.2-1.25(b)(5) to increase the 90-day timeframe originally proposed to 120 days, and allowing up to 60 days of additional flexibility when an extension is warranted. This would provide a total of up to 180 days for temporary displacement before an income-eligible tenant can choose whether to remain in a temporary situation or opt for permanent relocation benefits instead. Staff believes the 180-day total duration achieves a reasonable balance between tenant and landlord/developer input, and provides additional certainty as requested by the landlords/developers by providing 120 days instead of 90 days upfront. As noted above per legal counsel, the additional upfront time and flexibility have been incorporated in the Ordinance shown in Attachment 1, and the Administrative Guidelines will provide specific criteria for determining when an extension is warranted.

 Directed staff to evaluate and receive stakeholder feedback on options for project-based voucher holders and how relocation assistance is handled, to be included in staff's development of administrative guidelines.

Stakeholder input: Staff noted to both groups that the City is meeting with the Santa Clara County Housing Authority, which is the provider of vouchers, to better understand their program requirements. Neither stakeholder group provided any input on this topic.

Staff evaluation: After the October 28 meeting, staff reviewed Council's direction. Staff believes that Council intended to say "tenant-based" vouchers (TBV) instead of "project-based" vouchers (PBV) in its direction to staff. The Housing Authority implements both TBV

and PBV programs. However, PBVs are allocated specifically to developers building new affordable housing project; conversely, TBVs are allocated to tenants, allowing them to shop for a rental unit such as a CSFRA unit. Therefore, in the context of TRAO and displaced tenants, TBVs – not PBVs – are the appropriate vouchers to analyze.

On November 13, 2025, staff met with the Housing Authority to discuss the voucher program requirements and how relocation assistance is or should be handled. In summary, the Housing Authority noted that:

- They agreed with staff's assumption that TBV's instead of PBV's are the applicable voucher program to discuss in this situation.
- Tenant relocation benefits is a matter strictly between landlords and tenants and the Housing Authority does not get involved.
- TBV's are strictly for monthly rent payments. The Housing Authority does not provide any relocation assistance, including moving costs, security deposits for a new unit, or assistance with finding replacement housing.
- Overall, relocation benefits would <u>not</u> impact a displaced tenant's continued eligibility for TBVs, except in rare circumstances.
- The Housing Authority reviews if landlords have complied with notice requirements, including local requirements such as TRAO.

Recommendation: The intent of the TRAO is that displaced tenants would directly receive the relocation benefits from the landlord. Tenants need these benefits to find and pay for replacement housing. Based on information provided by the Housing Authority that relocation benefits are a matter between landlords and tenants, and that the Housing Authority does not provide any relocation assistance to tenants, staff recommends no changes to the TRAO Amendments.

<u>Directed staff to amend the TRAO to include minor modifications, as necessary, to the ordinance to add a reference to a moving cost cap as set forth in the administrative guidelines, and to bring back to the Council a proposed moving cost cap for approval before adding it to the administrative guidelines.</u>

Stakeholder input:

- Tenants:
 - Preferred no cap on the moving costs.

- Other jurisdictions do not impose caps and the payments are based on actual, reasonable costs, whatever that may be.
- In some cases, tenants must move farther away due to economic circumstances and limited affordable housing options nearby.
- Moving costs fluctuate based on season, inflation, labor conditions, and the size of the household (e.g., number of bedrooms).
- Landlords retain substantial control over the process and cost because they
 can choose to coordinate and organize the movers themselves instead of
 opting to reimburse for the actual costs that tenants incur.

– Landlords:

- Distance is not the biggest factor in moving costs.
- Tenant might hire an expensive mover.
- Even though the recommended TRAO Amendments give landlords the option to provide moving services directly or reimburse tenants, landlords do not want to be in the business of moving. If any insurance claims arise, it could take months to recover.
- A cap on reimbursable moving costs should be established, based on the size of the unit (measured by number of bedrooms).
- The policy should clearly define the types of moving services that qualify for reimbursement (e.g., full-service movers, packing services, transportation only, etc.).
- One participant noted that they called local moving companies and found that moving cost estimates are pretty narrow and consistent.
- One participant commented that moving costs—whether for temporary or permanent displacement—should be means-tested.
- One participant noted that tenants should still have to provide receipts, and the cap is just a not-to-exceed amount, regardless of what might be on the receipt if it is higher.

Staff evaluation: In addition to evaluating stakeholder input:

Staff reviewed the cost of eight moves facilitated by the City's relocation consultant in other jurisdictions that require moving cost benefits. The moves ranged in size from 1- to 3-bedroom units with estimated distances of less than one mile to under 50 miles. The moving costs ranged widely even when comparing moves with similar characteristics. For example, the cost of two different 3-bedroom moves ranged from \$5,600 (less than 50 miles) to \$8,500 (less than a mile distance). In another example, the cost of two different 4-bedroom moves ranged from \$2,900 to \$15,100 (both under 1 mile in San Francisco). The most consistent range was for 2-bedroom moves, where three examples ranged from \$4,244 to \$5,470; however, there was one outlier at approximately \$1,250.

While staff did not identify a consistent methodology from these examples, the variation between moves that appear outwardly similar suggests that some additional buffer above a baseline amount is reasonable to account for the likelihood that every move may be somewhat unique. For example, moving to and from an apartment with many stairs may take longer than an apartment with elevators. Elevators may also vary significantly in terms of their speed, they may be out of order on the day of the move, or they must be shared with other moves occurring on the same day. These are common situations that can significantly increase the actual time and cost of a move beyond what was originally estimated.

Staff called three local moving companies to obtain cost estimates. All three companies are fully licensed, have received a rating of at least 4.5 out of 5 in customer reviews, charge by the hour (\$145/hr to \$175/hr), and include insurance. Each company provided useful information but did not provide detailed, comprehensive pricing that includes all of the service costs or different variations.

For example, the estimate for a 2-bedroom move within Mountain View ranged from 3 to 5 hours, not including packing or unpacking services, for an average of 4 hours (three moving company estimates). The estimates also did not account for whether there may be stairs or where the truck might be parked relative to the distance to the unit. For the same level of service with a longer move, two companies estimated a 6.25 hour move from Mountain View to Salinas. There are also additional costs for packing material on top of the hourly rates, and the companies charge for the time for driving the empty truck back to their business location after the move is complete.

All three companies clearly noted that the specific cost for a move can be highly variable depending on the number of items to move, the amount of packing materials

needed (e.g., boxes, tape, etc), whether there are stairs or elevators, the distance from the unit to the moving truck, parking and loading restrictions, etc.

Staff reviewed Government Code Section 7260 and California Code of Regulations Section 6090. As discussed during the October 28 meeting, Senate Bill (SB) 330 includes relocation benefit provisions. These provisions include moving costs. SB 330 references Government Code 7260, which provides a list of eligible moving expenses, including a maximum relocation distance of 50 miles as well as packing/unpacking. Staff recommends using these Government Codes as a framework for evaluating moving costs for TRAO.

Recommendation: Based on the above due diligence and stakeholder input, staff recommends:

- Establishing maximum moving costs based on the number of bedrooms, from studios to 3 bedrooms. Units with more than 3 bedrooms are rare and it is recommended to use the 3-bedroom rate.
- Using a per hour average of \$165/hr based on the data collected above. This is slightly higher than the midpoint of the \$145/hr to \$175/hr range above to account for relatively common situations that can significantly increase the total move time.
- Including packing, loading, unloading, and unpacking as part of the cost estimate.
- Using 25 miles as the average distance per move (midpoint between 0 and 50 miles) with an average total drive time of 2 hours (one hour each way).

Table 1 below summarizes the recommended maximum moving costs under the above assumptions and an assumed total number of hours based on the number of bedrooms.

Table 1. One-Way Maximum Moving Costs by Number of Bedrooms

Number of Bedrooms	One-Way Maximum Moving Cost	Assumptions
Studio/	\$1,670	Moving time: 6 hours; Driving time: 2 hours
1-bedroom		Total time: 8 hours; Supplies: \$350
2 bedrooms	\$2,250	Moving time: 8 hours; Driving time: 2 hours
		Total time: 10 hours; Supplies: \$600
3 bedrooms or more	\$2,880	Move time: 10 hours; Driving time: 2 hours
		Total time: 12 hours; Supplies: \$900

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These are one-way, up-to-amounts for reimbursement of submitted expenses that will apply to both the temporary (two-ways) and permanent relocation (one-way) benefits in the TRAO. Staff recommends annual adjustments in the moving costs based on changes in the Consumer Price Index (CPI). Moving costs and adjustments will be added to the Administrative Guidelines per Council direction.

Clarification to Section 46.2-1.25(b)

As discussed during the October 28 meeting, a Landlord shall provide all of the temporary relocation assistance options in Section 46.2-1.25(b) from which a tenant can choose, including relocation assistance payment, temporary relocation, and permanent relocation to a comparable unit if available. However, the TRAO Amendments as drafted in October did not make this requirement clear. Attachment 1 includes minor edits to this section to clarify this requirement.

FISCAL IMPACT

This item has no impact on the City's General Fund.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

⊠ General policy and legislative actions

CONCLUSION

On October 28, 2025, Council conducted a First Reading in a Public Hearing to consider the TRAO text amendments. Council approved a motion that includes direction to staff to bring the item back for a first reading in December 2025 as a Consent item, and to obtain stakeholder input regarding additional flexibility in temporary displacement situations, the relocation benefits process for tenants who are voucher holders, and establishing a cap on moving costs. This

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Consent item is for Council to consider updated TRAO Amendments per their direction from the October 2025 meeting.

ALTERNATIVES

- 1. Provide other direction on flexibility for unforeseen circumstances that may cause the duration of temporary displacement to extend beyond 90 days.
- 2. Provide other direction on maximum moving costs.

PUBLIC NOTICING

Agenda posting; posting on the City's website; and email distribution to the Displacement Response Strategy interest list registrants and Rental Housing Committee (RHC) email distribution list.

Prepared by: Approved by:

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Attachment: 1. Ordinance and TRAO Amendments