

# **CITY OF MOUNTAIN VIEW**

## **ENVIRONMENTAL PLANNING COMMISSION**

### **STAFF REPORT**

#### **DATE**

## **5. PUBLIC HEARING**

### **5.2 Tenant Relocation Assistance Ordinance Amendments – Housing Element Program 3.2**

#### **RECOMMENDATION**

That EPC recommend that the City Council adopt 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.

#### **PUBLIC NOTIFICATION**

Agenda posting; public notice in the Daily Post; 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.

#### **BACKGROUND AND ANALYSIS**

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:

“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.”

#### **Process**

**Rental Housing Committee** - The TRAO is a City program implemented by the Rent Stabilization Division as part of its tenant protections scope of responsibilities. The TRAO primarily covers units under the CSFRA and MHRSO, which is overseen by the Rental Housing Committee (RHC). As such, the RHC, in its advisory role to the City Council, held a [Study Session on November 14, 2024](#) to provide review and provide input on staff

recommendations for TRAO amendments. The Study Session included an overview of the TRAO purpose and key provisions, previous TRAO amendments, comparison of TRAO with the relevant elements of SB 330, summary of stakeholder outreach, and a summary of comparison jurisdictions. Overall, the RHC supported all of staff’s recommendations.

**City Council** - On [December 17, 2024](#), City Council held a Study Session to review TRAO efficacy and RHC input, meeting the Housing Element deadline of December 31, 2024 to complete the review. Council supported staff’s recommendations and provided feedback for staff to further review options to increase relocation benefits, as discussed below.

**Environmental Planning Commission** - The TRAO is currently in Chapter 36 of the City Code and the Environmental Planning Commission (EPC) reviews Chapter 36 amendments. Therefore, the EPC must hold a public hearing to review the draft TRAO amendments and provide a recommendation to the City Council, which is the purpose of this item.

### **What is the TRAO?**

The TRAO is the City’s local ordinance that provides relocation benefits to income-eligible households who are displaced from certain types of housing units, such as rental units covered under the City’s Community Stabilization and Fair Rent Act. The TRAO stipulates the amount of relocation benefits, additional benefits for “special circumstance” households, and various requirements for landlords to meet should they wish to take the units off the market or redevelop the property.

### **SB 330 and Ellis Act**

As discussed with the RHC and Council in 2024, in addition to the City’s TRAO, there are State regulations that govern the level of relocation benefits (Senate Bill (SB) 330 also known as the Housing Crisis Act of 2019) as well as the rights and obligations of landlords who want to withdraw housing units from the market (Ellis Act) such as noticing requirements.

The current TRAO as well as the proposed amendments includes various Ellis Act provisions. Additionally, the proposed amendments incorporate elements of SB 330. Including these State requirements in the TRAO provides for a more cohesive program that better aligns City provisions with implementing State requirements.<sup>1</sup>

---

<sup>1</sup> The recommended TRAO amendments conform with relevant sections of the California Code, such as the Ellis Act (Section 7060 et seq.), the Housing Crisis Act (SB 330 (Section 66300 et seq.)), and other California state codes, such as tenant/landlord law (Section 1940 et seq.) and the Health and Safety Code (Section 17910 et seq.) and covers three scenarios of tenant displacement, including redevelopment project, withdrawing the units from the market, and owner move-in. Each scenario has different noticing requirements, in accordance with relevant State law.

### **Staff Recommended Changes**

During the RHC and Council Study Sessions, staff identified key challenges/considerations of the TRAO and provided recommended amendments as shown in Table 1.

**Table 1. Summary of Key Considerations and Recommended TRAO Amendments**

<b>Challenges/Considerations of Current TRAO</b>	<b>Recommendations</b>
1. Does not specify a move out date for when a tenant must leave a unit as part of demolition/redevelopment project, which may cause tenants to move out sooner than needed.	1. Add the SB 330 vacate date to the TRAO.
2. Requires developers to provide tenants Notice of Intent of a redevelopment project very early in the process, which may cause tenants to move out sooner than needed.	2. Evaluate alternatives for a later Notice of Intent requirement.
3. Treats temporary tenant displacement the same as permanent displacement, which means landlords must provide the same level of benefits even though the impact of temporary displacement is less than a permanent one.	3. Add a new section to address temporary displacement.
4. Exempts City-enforced displacements (such as red-tagging units) from tenant relocation benefits, which may lead to unintended consequences. Ex.landlord could cause/allow units to fall into disrepair, leading to City enforcement but be exempt from paying relocation benefits.	4. Do not exempt units vacated due to City enforcement order for nonpermitted construction or habitability issues.
5. Does not include a provision that allows displaced tenants to return to a redevelopment project that demolishes and replaces “protected units” (such as CSFRA units) with replacement units.	5. Add SB 330-type of first right of return to City requirements.
6. Since 2014, approximately 41% of displaced tenants relocated within Mountain View	6. Evaluate options to increase benefits.

At the December 2024 Council Study Session, Council unanimously supported recommendations 1 through 5. Council also provided direction to staff to evaluate options for increasing relocation benefits for displaced households earning 80% of Area Median Income (AMI) or less, as well as providing moving costs for all households regardless of income.

### **Moving TRAO from Chapter 36 (Zoning Code) to Chapter 46 (Housing-Related Ordinances)**

In addition to the six recommendations above, staff recommends that the TRAO be moved from its current location in the City Code (Chapter 36 – Zoning Code) to Chapter 46. There are three reasons for this recommendation:

- TRAO is not related to zoning.
- TRAO is referenced in the CSFRA, which is located in the City Charter). Both the TRAO and the CSFRA are administered by the Rent Stabilization Division, and the Rental Housing Committee (RHC) is the policymaking body for the CSFRA. Therefore, the RHC would be the most appropriate advisory body to the City Council with regards to the TRAO.
- The City is undergoing a review of the City Code as part of the Fiscal Year 2025-27 Council Strategic Workplan to cleanup the City Code. As part of this process, Chapter 46 is envisioned to be where various housing-related ordinances are consolidated, including the TRAO. Currently, Chapter 46 comprises just the Mobile Home Rent Stabilization Ordinance (MHRSO). The cleanup process would modify Chapter 46 and make the MHRSO and TRAO separate Articles under the Chapter.

Therefore, the draft TRAO amendments are written as Chapter 46, Article 2.

### **ANALYSIS**

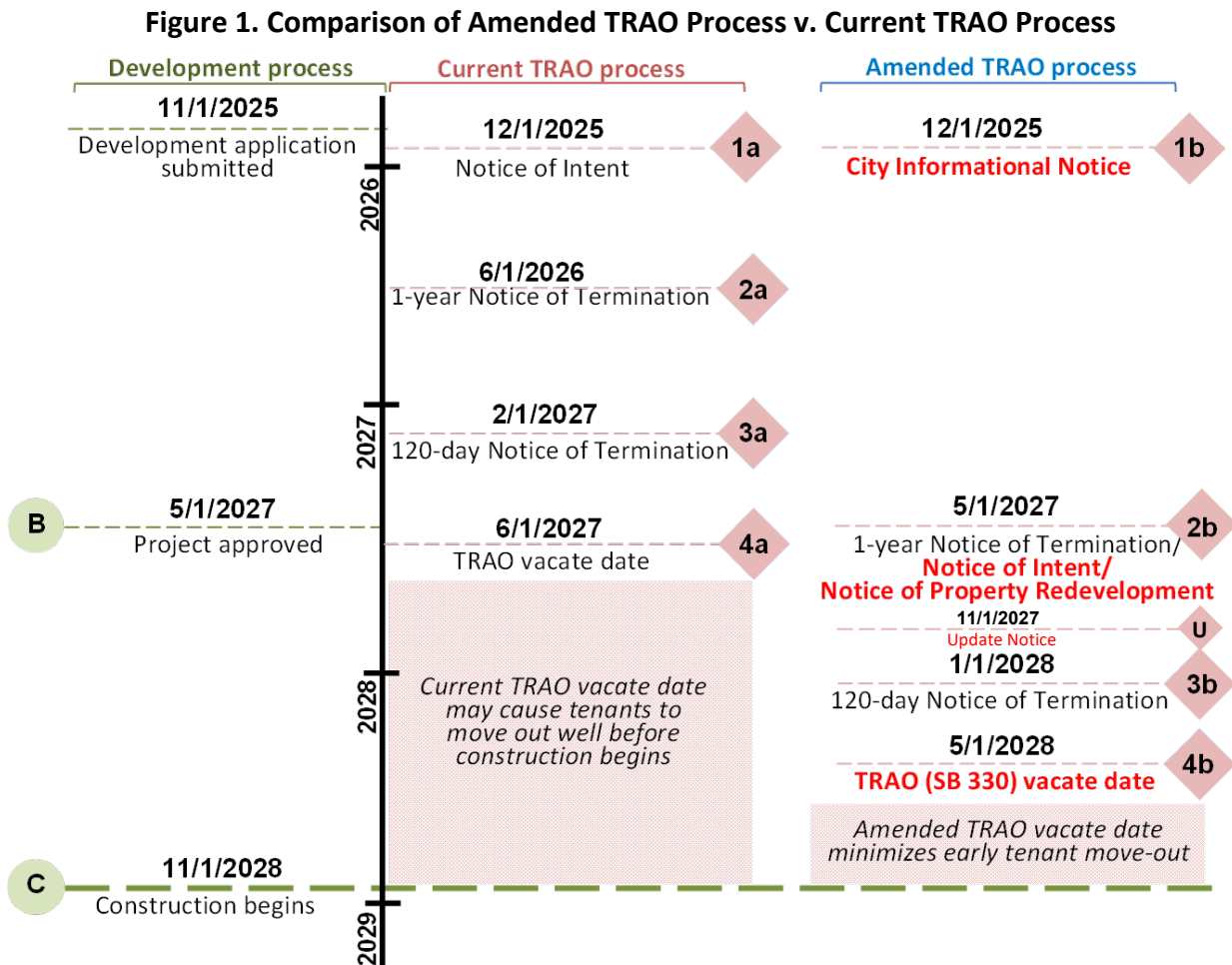
Based on Council’s input during the December 2024 Study Session, staff developed the draft TRAO amendments in **Exhibit 1** based on the six recommended changes in **Table 1** above. This Analysis section provides a summary of the amendments. Note that State laws – including the Ellis Act and SB 330 – collectively require landlords provide four different notices: Notice of Intent, Notice of Termination, Notice of Property Redevelopment (SB 330 requires but does not name this notice, so the term is coined by staff), and an Update Notice (this is also an un-named notice in SB 330). Although there is some redundancy in the information that must be provided in the notices, these are State requirements that landlords must follow.

Because the amendments are comprehensive, the amended TRAO has been reorganized into a new structure, rather than attempting to amend the TRAO within the current structure. To assist with EPC and City Council’s review of the new TRAO, **Exhibit 2** provides a summary of the changes with a cross-reference between the amended and current TRAO.

### Amendment 1 - SB 330 vacate date has been added to the TRAO

As discussed with the RHC and Council in 2024, the current TRAO specifies that the vacate date must fall after Council approves a redevelopment project but does not provide any other requirements. Conversely, SB 330 specifies that tenants can stay in their units until at least six months before the start of construction.

Figure 1 below provides an example of a redevelopment project and the different vacate dates to demonstrate the benefit of adding the SB 330 vacate date. **As shown in the “Amended TRAO Process” column – item 4b**, adding the SB 330 vacate date to the TRAO aligns with the State requirement and will allow tenants to stay in their units significantly longer, whereas under the “Current TRAO process” column – item 4a, tenants may be required to move out much sooner. This also means that the State-required Notice of Termination (NoT) would be issued much later in the amended TRAO (Figure 1 – 2b and 3b) than under the current TRAO (Figure 1 – 2a and 3a).



Note that SB 330 does not stipulate how to determine when construction will begin. Staff recommends using the date of issuance of a demolition permit as the method to determine when construction will begin, which provides a clear objective standard. If issuance of the demolition permit is delayed, the landlord<sup>2</sup> will be required to provide a 3-month extension of the vacate date at least 3 months in advance.

Additionally, staff recommends adding the Notice of Property Redevelopment requirement to the TRAO and requiring that it be provided to the tenants one year before the projected date the tenant must vacate (Figure 1 – 2b) as well as an Update Notice at least six months before the vacate date (Figure 1 – U). Both notices are required by SB 330.

**Amendment 2 – TRAO now includes Notice of Intent requirement at a later date (one year prior to the vacate date)**

Under the current TRAO, a landlord is required to issue the NOI within 30 days of filing a redevelopment application (Figure 1 – 1a). Although the tenant does not need to leave until the vacate date, requiring an NOI at this earlier stage may still cause tenants to move earlier than necessary.

Based on a review of comparison jurisdictions, most jurisdictions with rent stabilization programs require the NOI to be issued one year prior to the vacate date. This aligns with the extended noticing period available under the Ellis Act to special needs households living in rent-stabilized rental units. Staff recommends that the TRAO be similarly amended to require a 1-year concurrent issuance of the NOI and NoT, as shown in Figure 1 – 2b.

In place of an early NOI, staff recommends that the City provide tenants an informational notice that the landlord has filed a development application with the City. Staff have received input from other jurisdictions with a later NOI date that tenants may still learn that the landlord has submitted a development application, and decide to move out earlier than necessary due to uncertainty. One way to address this problem is for the City – rather than the landlord – to send an informational notice to tenants within 30 days of a landlord filing a development application with the City. The informational notice would let tenants know about the development and noticing process and that they do not need to move until six months prior to the start of construction. The idea is that a City notice would educate tenants, help dispel rumors or inaccurate information, reduce uncertainty, and prevent tenants from moving earlier than necessary. **The City informational notice is shown in Figure 1 – 1b.**

---

<sup>2</sup> For the purposes of the TRAO, “landlord” means 1) An owner, lessor or sublessor, or any other person entitled to receive rent for the use and occupancy of any rental unit, or the agent, representative, predecessor or successor of any of the foregoing; 2) With respect to mobile homes, the landlord means the owner of the mobile home, which may or may not be the same as the owner of the mobile home space; and 3) In the context of an application, landlord includes the applicant.

### **Amendment 3 – New temporary displacement section has been added to TRAO**

Under the current TRAO, a temporary displacement under 30 days is not addressed, and temporary displacement over 30 days is subject to the same relocation benefits as a project causing permanent displacement due to the demolition of existing CSFRA units. However, although temporary displacement disrupts the tenant's living situation, it does not have the same impact as permanent displacement. An example of temporary displacement is when tenants need to temporarily vacate their units so that renovation work can be performed.

As discussed during the December 2024 Study Session, Council supported adding a new provision in the TRAO to address temporary displacement and provide a menu of options, modeled off of the 660 Mariposa project.<sup>3</sup> Based on Council direction and staff's research of comparison jurisdictions (**Exhibit 4**), staff recommends the following provisions be added to the TRAO:

- Temporary displacement is considered to be 90 days or less.
- Landlords shall offer three temporary relocation options to all existing tenants:
  - Per-diem payment; or
  - Temporary stay in a hotel/motel with suitable facilities in a 5-mile radius; or
  - Comparable housing within the existing property or another property in Mountain View.
- Landlords shall provide moving and/or storage costs.
- Tenants shall have the first right of return to their original unit at the same rent.
- If the temporary displacement exceeds 90 days, tenants can choose to:
  - Remain in their temporary relocation situation; or
  - Move out permanently and forego the right of return to their original unit. Income eligible tenants under the TRAO (i.e., households up to 120% AMI +

---

<sup>3</sup> To satisfy its Below Market Rate housing obligation for the market rate project at 1720 Villa Street (now called The Tillery), the developer Prometheus converted the rent-stabilized apartment at 660 Mariposa into permanently affordable housing. The project included renovating the property and providing temporary relocation benefits to existing tenants, moving costs, and a right to return to the newly renovated units at their prior rents.

\$5,000) will receive permanent relocation benefits, in addition to the temporary benefits they have already received.

#### **Amendment 4. City enforcement no longer exempted under TRAO**

As discussed in the 2024 Study Sessions, the current TRAO exempts a landlord from paying relocation benefits if tenants are displaced due to a City enforcement order requiring tenants to vacate their units. This exemption may cause unintended consequences. For example, a landlord could intentionally allow or cause a CSFRA property to fall into significant disrepair, requiring the City to “red tag” the units. Red-tagged units are uninhabitable, which means tenants must immediately vacate the units. None of the comparison jurisdictions exempt relocation assistance in the event of a City enforcement action. Council supported removing this exemption, which is reflected in the attached TRAO amendments.

However, staff recommends that the amended TRAO include an exemption if a City enforcement order to vacate a rental unit is due to damage or destruction of the unit caused by a fire, flood, earthquake, or natural disaster *that was not caused by or contributed to by the landlord*.

#### **Amendment 5 – “SB 330 first right of refusal” added to TRAO**

The current TRAO provides a first right of return for all tenants of rent-stabilized units (regardless of income) who are displaced in the event a landlord withdraws all units in a rental building from the market (meaning the units are no longer available for rent) but decides to return the original units back to the market (meaning the units are once again available for rent) within 10 years. This first right of return is a requirement of the State Ellis Act. Additionally, the current TRAO provides a right to return to the original rental unit in the event of a no-fault eviction if the unit is returned to the rental market.

Separately, SB 330 requires that redevelopment projects that demolish protected units (e.g., CSFRA units or units housing lower-income households) include replacement units at affordable levels. Additionally, SB 330 provides a first right of refusal for lower-income households (up to 80% AMI) to a replacement unit.

The current TRAO does not include this type of “SB 330 first right of refusal.” Council supported adding this to either the TRAO amendments or through development of local replacement requirements. Because the TRAO amendments are coming forward first for Council consideration, the SB 330 first right of refusal is included in this TRAO amendment process.



Council also asked staff to evaluate whether higher-income households who are displaced should also have the first right of refusal to a new unit at market prices. **Staff recommends that the first right of refusal be provided to low- and moderate-income households only,** and does not recommend extending a first right of refusal to a new unit at market prices for displaced higher-income tenants. First, SB 330 does not require that the first right of refusal be offered to higher-income tenants. Second, higher-income residents should be able to find alternative units at market rent; therefore, requiring the landlord to provide a first right of refusal for higher-income tenants would create an additional obligation for something that may have little value for those households.

Finally, staff recommends that the TRAO include requirements that would allow the City to determine if the landlord is complying with the amended TRAO. This includes requiring landlords provide an inventory of units, information about existing tenants, and – if the units are vacant – documentation that the units became vacant through lawful means (i.e., tenants were not illegally evicted). Failure to meet these requirements or causing units to become vacant by unlawful means is a basis for voiding a project’s entitlement and denial of building permits.

**Amendment 6 – Recommend increasing benefits for low-income households, and providing moving costs to all households regardless of income**

During the 2024 Study Session, Council considered whether the TRAO amendments should include increased benefits for the following income groups:

- Group 1: up to 80% AMI (covered by TRAO and SB 330)
- Group 2: above 80% AMI up to 120% AMI plus \$5,000 (covered by TRAO)
- Group 3: above 120% AMI + \$5,000 (not covered by either TRAO or SB 330)

Council supported evaluating 1) increased relocation benefits for Group 1 only as they have the lowest income and have the greatest need and 2) moving costs for all three Groups, as all groups are impacted by displacement.

*Enhanced Benefits for Group 1*

The current TRAO requires that income-eligible displaced households (Groups 1 and 2) receive three (3) months of rent based on the median monthly rent for a comparable unit in Mountain View, which is approximately \$12,000. Additionally, the TRAO requires enhanced relocation benefits for Groups 1 and 2 households if at least one member of the household is a senior, disabled, or a legally dependent child (special circumstance

household). The special circumstance enhancement is approximately \$9,371 per household and is annually adjusted based on the change in the Consumer Price Index.

Staff reviewed comparison jurisdictions (**Exhibit 3**) and found that several of them include low-income households as part of the special circumstance category because such households have the greatest need, which aligns with Council’s discussion during its Study Session. **Staff recommends using this methodology and amending the TRA0 to include Group 1 as part of the definition of “special circumstance.”** Using the figures above, this means that Group 1 would receive \$21,271 in relocation benefits (\$12,000 + \$9,371) instead of \$12,000 (just the three months of comparable rent). This enhanced amount is in the range of other jurisdictions.

#### *Moving Costs*

Per Council direction, staff also evaluated the option of including moving costs for all displaced tenants in Groups 1, 2, and 3. There can be a range of ways to evaluate what the moving costs should be. However, most comparison jurisdictions allow displaced tenants regardless of income to provide documentation demonstrating that they have incurred or have received a quote for reasonable moving costs. SB 330 allows income-eligible tenants to choose either a fixed moving cost allowance in accordance with the US Department of Transportation - Federal Highway Administration, or to provide documentation of actual, reasonable, professional moving cost to be reimbursed by the landlord.

**Staff recommends allowing the landlord to elect either of the following forms of moving assistance: (i) The landlord providing, at the landlord’s cost, professional moving services from a licensed moving company; or (ii) the landlord reimbursing the tenant’s moving costs, in which event the landlord shall reimburse the tenant for moving costs within fourteen (14) days of receipt of invoices or other proof of expenses from the tenant.** These provisions provide some flexibility in how the landlord can provide moving assistance and is based on common standards that exist in other programs. Finally, staff recommends capping moving costs to transportation costs of no more than 50 miles. This distance would cover most of the Bay Area, while also preventing uncertain, open-ended costs that the landlord might incur.

#### **FISCAL IMPACT**

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

#### **PUBLIC NOTICING**

Agenda posting, posting on the City’s website, and emails to the Displacement Response Strategy interest list registrants, and RHC email distribution list.

## CONCLUSION

Based on Council input provided during its December 2024 Study Session to review TRAO efficacy and recommended amendments, staff have developed TRAO amendments for EPC review. EPC recommendations will be forwarded to the City Council, who is scheduled to hold a Public Hearing on October 28, 2025 for a first reading of the TRAO amendments.

Prepared by:

Anky Van Deursen  
Rent Stabilization Manager

Approved by:

Wayne Chen  
Housing Director

Wayne Chen  
Housing Director

CDD  
EPCStaff Report - Calibri (Rev. 09-25-14)

Exhibits:

1. Draft TRAO Amendments
2. Comparison of TRAO Amendments and Current TRAO
3. Comparison Jurisdictions – Permanent Relocation
4. Comparison Jurisdictions – Temporary Relocation