

# Replacement Unit Requirements and Occupant Protections

Housing Crisis Act and Resident Protections Ordinance

# **Summary**

The Housing Crisis Act of 2019 (HCA) originally introduced replacement requirements and occupant protections through Senate Bill (SB) 330 and has since been updated by SB 8 and Assembly Bill (AB) 1218. In February 2025, the Los Angeles City Council adopted the Resident Protections Ordinance (RPO), which codified and expanded upon replacement requirements and occupant protections of the HCA, and enhanced requirements for Restricted Affordable Units.

# **Applicability**

## **Housing Development Projects**

Housing development projects and non-housing development projects that result in the demolition of protected units that are occupied, or are located on a site where protected units have been vacated and demolished within the past five years, shall be subject to replacement requirements. Existing occupants of demolished protected units are also entitled to occupant protections. Housing development projects that require the demolition of residential dwelling units must construct at least as many residential dwelling units as will be demolished.

## **Non-Housing Development Projects**

Non-housing development projects shall be subject to these requirements until 2030 and may be permitted to locate replacement units off-site, subject to certain requirements (See LAMC Chapter 1 16.60 A.4(a) and Chapter 1A 4C.15.2.C.1).

#### **Affordable Units**

New Affordable Units (including Replacement units) are all subject to 99-year covenants, with limited exceptions. Affordable units in mixed-income projects must also comply with the Fair Housing Requirements for Affordable Housing, which regulate their design, size, distribution, and access to amenities.

### **Project Vesting**

Projects can be vested to the City's development rules in effect by submitting any of the following:

- A complete HCA Vesting Preliminary Application<sup>1</sup>, or
- A building permit Plan Check application accepted by the Los Angeles Department of Building and Safety (LADBS) (LAMC Ch 1A 13B.10), or
- A complete application for a vesting entitlement, such as a Vesting Conditional Use, Vesting Zone Change, Vesting Tentative Tract Map, or Vesting Parcel Map. (See LAMC Ch 1A 1.4.5)

# **Summary of Changes Made by the RPO**

The updates to replacement requirements and occupant protections made by the Resident Protections Ordinance are outlined below.

Rent Stabilization Ordinance (RSO) Unit Replacement Requirements			
	Previous (HCA) Provisions	RPO Update	
Income Requirements when Incomes are Known	Income categories required to be replaced included Low Income to Extremely Low Income; Moderate Income and above not replaced	Income categories required to be replaced expanded to include Acutely Low Income; all units replaced (100%) regardless of income (See LAMC Sec. 16.60 A.3(a)(1))	
Income Requirements when Incomes are Unknown (In High and Moderate Opportunity Areas)	Units are replaced in proportion to Lower Income renters in the city using the HUD CHAS dataset (~65% in 2024); Units representing tenants assumed to be above Low Income (~35% in 2024) are not replaced.	All units are replaced (100%); Units assumed above Low Income using the HUD CHAS database (~35% in 2024) default to LI (See LAMC Sec. 16.60 A.3(a)(1)(ii))	
Income Requirements when Incomes are Unknown (in Low Opportunity Areas)		All units replaced (100%); Units replaced proportionate to Lower Income renters using the HUD CHAS database (rather than total renters) (See LAMC Sec. 16.60 A.3(a)(1)(ii))	
Unit Size	Replacement units shall be Equivalent Size (same # of bedrooms, see FAQ for more info)	Replacement units shall be Equivalent Size unless tenants exercise the right to return, requiring a Comparable Unit (Same # of bedrooms and bathrooms).  (See LAMC Sec. 16.60 A.3(a)(2) and 16.60 A.3(b)(4))	

<sup>&</sup>lt;sup>1</sup> See the Housing Crisis Act Implementation webpage for more information (https://planning.lacity.gov/project-review/housing-crisis-act)

Protected Unit (Non-RSO Unit) Replacement Requirements				
	Previous (HCA) Provisions	RPO Update		
Income Requirements when Incomes are Known	Income categories required to be replaced included Low Income to Extremely Low Income; Moderate Income and above not replaced	Income categories required to be replaced expanded to include Acutely Low Income; Moderate Income and above not replaced (See LAMC Sec. 16.60 A.3(a)(1))		
Income Requirements when Incomes are Unknown	Units replaced in proportion to Lower Income renters in the city using the HUD CHAS dataset (~65% in 2024); Units representing tenants assumed to be above Low Income (~35% in 2024) are not replaced.	No change from current practice (See LAMC Sec. 16.60 A.3(a)(1)(i))		
Unit Size	Same as RSO unit size requirement above	Same as RSO unit size requirement above		

Occupant Protections			
	Previous (HCA) Provisions	RPO Update	
Right to Remain	Allows tenants to remain in their units up until 6 months prior to the start of construction activity	No change from current practice (See LAMC Sec. 16.60 A.3(b)(1))	
Right to Return of Demolition Does Not Proceed	Allows tenants to return if Demolition Does Not Proceed	Allows tenants to return at their prior rental rate, and to a Comparable Unit, if Demolition Does Not Proceed (See LAMC Sec. 16.60 A.3(b)(2))	
Right to Relocation	All tenants must be paid a minimum relocation amount set by the Rent Stabilization Ordinance (LAMC Sec. 151 et seq.) and/or the Just Cause Ordinance (LAMC Sec. 165 et seq.). Additionally, the HCA, requires that lower income households must receive relocation payment equivalent to the relocation benefits required to be paid by public entities pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1.	The RPO offers owners 3 relocation options to comply with the HCA: 1) An owner may pay the local formula amount in the RPO, 2) Relocate a tenant to a comparable unit with relocation payment, or 3) Pursue the state formula with a consultant. (See LAMC Sec. 16.60 A.3(b)(3))	

Occupant Protections (continued)				
		Previous (HCA) Provisions	RPO Update	
Right to Return	Rental Rate	All tenants allowed to return at an affordable housing cost; tenants displaced from an RSO unit by an ED1 project are allowed to return at their prior rental rate, if lower than their affordable rent.	All tenants allowed to return at their prior rental rate, if lower than their affordable rent (See LAMC Sec. 16.60 A.3(b)(4))	
	Unit Size	Comparable unit must have the same # of bedrooms	Comparable Unit must have same # of bedrooms and bathrooms (See LAMC Sec. 16.60 A.3(b)(4))	
Tenant Notification Requirements		Requires developers to notify displaced tenants of their rights	Requires developers to notify displaced tenants of their rights, and provide recurring updates regarding right to return (See LAMC Sec. 16.60 A.3(b)(5))	
Tenant Anti-Harassment		City's Tenant Anti-Harassment Ordinance (TAHO) adopted in 2021, not tied to demolition permits	Ties TAHO violations to withholding of demolition permits, creating consequence for bad-actor developers (See LAMC Sec. 16.60 A.6)	
Private Right of Action		Some legal remedies in LAMC for tenants via the TAHO ordinance	Clarifies legal remedy for aggrieved tenants seeking to exercise their rights guaranteed by the RPO (right to return, right to remain, right to relocation) (See LAMC Sec. 16.60 A.7)	

Restricted Affordable Unit Requirements			
	Previous (HCA) Provisions	RPO Update	
Covenant Lengths	Usually 55 years	99 years unless otherwise exempt. Some exemptions include for-sale projects, projects funded by public subsidies, or projects built via non-planning or zoning programs such as the Parks Fee. (See LAMC Sec. 16.61 A.)	
Fair Housing Requirements (distribution, unit mix, etc.)	2005 Affordable Housing Incentive Guidelines articulate some fair housing requirements	Fair Housing Requirements for Affordable Housing are applicable to all mixed-income projects with Affordable Units (See LAMC Sec. 16.61 B.)	

# **Frequently Asked Questions**

### What is a Housing Development Project?

Consistent with how the term is used in California (Cal.) Government (Gov.) Code Sec. 65589.5, a housing development project includes but is not limited to projects consisting of residential units only, mixed-use developments where at least two-thirds of the square footage is residential, mixed-use developments where at least fifty percent of the square footage is residential and other conditions are met (see Cal. Gov. Code Sec. 65589.5(h)), or transitional housing or supportive housing. Also, housing development projects include projects that do not involve a discretionary approval and include construction of a single dwelling unit.

### What is a Development Project?

A non-housing development project includes any project involving the issuance of a City Planning approval or a building permit from the Los Angeles Department of Building and Safety to allow for the alteration of the size of, construction, or demolition of any structure, or a change in the density or intensity of use of land, and is subject to the requirements for development projects under Cal. Gov Code Sec. 66300.6.

### What is considered a replacement unit of Equivalent Size?

An unit of Equivalent Size consists of at least the same total number of bedrooms as the units being replaced. Projects shall include at least the same number of units and number of bedrooms, but are not required to match bedroom configurations unless the Right to Return is being exercised (See LAMC § 16.60 A.3(a)(2)). For example, two two-bedroom units could be replaced with (1) two two-bedroom units, (2) four one-bedroom units, or (3) a one-bedroom unit, and a three-bedroom unit.

## What is a Comparable Unit?

A Comparable Unit (offered when a tenant exercises the right to return) consists of the same or greater number of bedrooms and bathrooms. Where one or more single family homes with four or more bedrooms are being replaced by a project that consists of two or more units, a Comparable Unit may have three bedrooms.

#### What is considered a Protected Unit?

Protected Units include those that have either been rented by lower income households, have been subject to a recorded covenant, ordinance, or law that restricts rents to affordable income levels within the past five years. This includes dwelling units that have been subject to the RSO (See LAMC § 151). Residential dwelling units are also considered protected units if they were withdrawn from rent or lease in accordance with the Ellis Act within the past 10 years.

### What information is needed to demonstrate that a project has vested?

Projects can vest by using the optional HCA Vesting Preliminary Application administered by LACP. For answers to general questions on the optional HCA Vesting Preliminary Application and planning-related processes, contact planning.HCA@lacity.org. For information on City Planning application filing requirements, contact planning.figcounter@lacity.org, planning.mbc2@lacity.org, or planning.southla@lacity.org.

#### What is CHAS?

The Comprehensive Housing Affordability Strategy (CHAS)<sup>2</sup> database determines the income level distribution of households. The CHAS data is published annually by the federal Department of Housing and Urban Development. The data is used to determine the proportion of units replaced at various income levels when incomes are not known. (See Replacement Requirement tables above for more information).

#### How can I obtain additional information?

Additional guidance on replacement requirements, occupant protections, and procedures for applicants, including implementation memos regarding the Housing Crisis Act can be found here: https://planning.lacity.gov/project-review/housing-crisis-act

## **Contacts**

For answers to questions regarding residential unit replacement requirements and occupant protections, contact LAHD-Landuse@lacity.org. If demolishing units subject to the RSO, please also consult the Ellis Act webpage<sup>3</sup> for more information on the withdrawal of units from the rental market under the RSO, status of replacement units and relocation process. For non-RSO units, consult the Just Cause Ordinance webpage<sup>4</sup> for information on the relocation process.

<sup>&</sup>lt;sup>2</sup> https://www.huduser.gov/portal/datasets/cp.html

<sup>&</sup>lt;sup>3</sup> https://housing.lacity.gov/rental-property-owners/removal-from-rental-market-property-owner

<sup>&</sup>lt;sup>4</sup> https://housing.lacity.gov/residents/jco-units-non-rso-no-fault-evictions-strong