49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

FACT SHEET

TENANT PROTECTIONS RELATED TO RESIDENTIAL DEMOLITIONS AND RENOVATIONS

Ordinance No. 3-26

INTRODUCTION

The **"Tenant Protections Related to Residential Demolitions and Renovations Ordinance"** ("Ordinance") became effective on February 7, 2026. The Ordinance created Planning Code Section 317.2, which is intended to implement the Housing Crisis Act of 2019 (HCA) and provide a series of tenant protections tailored for San Francisco. The Ordinance is consistent with the HCA by requiring the replacement of any residential units that are demolished. Additionally, the demolition of existing below-market rate, rent-controlled units, units rented by low-income households, or units withdrawn from the rental market within the last 10 years is only permitted if replaced by units that meet certain conditions related to affordability and tenant protections.

Further information on the Planning Department's implementation of the HCA can be found in Planning Director Bulletin 7: Housing Crisis Act of 2019 Project Review and Zoning Actions.

Applicability

The Ordinance applies to any housing development project that requires the demolition of one or more residential units. The Ordinance applies to both ministerial and discretionary projects.

Definitions

As used throughout this fact sheet, the following definitions shall apply.

"**Existing Occupant**" is defined as:

- Tenants occupying units at the submittal of a development application or a Preliminary Housing Development Pursuant to SB 330 Application submission (whichever occurs first);
- Tenants who vacated the unit within the last five years due to a non-compliant Buyout Agreement, but where there has been a finding of substantial compliance by the Rent Board;
- Tenants who vacated the unit within the last three years pursuant to an Owner Move In eviction;
- Tenants who vacated the unit within the last five years due to an Ellis Act eviction;
- Tenants who vacated the unit within the last five years due to a serious and eminent hazard; or

- Tenants who temporarily vacated the unit due to a capital improvement that expanded in scope and become a demolition.

"Housing development project" is defined as:

- a residential development project consisting of one or more residential units;
- a mixed-use development project where at least two thirds of the square footage is comprised of residential uses;
- a mixed-use development project where at least fifty percent of the square footage is comprised of residential uses and other conditions are met; or
- transitional or supportive housing development projects.

"**Protected units**" are defined as residential units, whether authorized or unauthorized, and whether occupied or vacant, that were:

- affordable units deed-restricted to households earning below 80% of Area Median Income (AMI) within the past five years;
- subject to any form of rent or price control, including rent increase limitations, in the past five years;
- rented by low-income households earning below 80% of AMI within the past five years; or
- withdrawn from the rental market under the Ellis Act within the past 10 years. Single-family homes may be considered protected units.

"**Residential Demolition**" is defined as a major alteration of a Residential Building that proposes the Removal of 50% or more of the sum of the combined Front Facade and Rear Facade and 50% or more of the Horizontal Elements of the existing building, as measured in square feet of actual surface area.

Non-Housing Development Projects

Non-housing development projects are also subject to replacement of protected units and existing occupant protections requirements. Replacement of protected units may happen offsite if their development happens before or concurrently with the project, and they are located within one mile from the project and in San Francisco.

100% Affordable Housing Projects

Affordable housing projects have special protect unit replacement requirements. 100% Affordable projects are not subject to a right of first refusal, unless the tenant qualifies for the units being developed.

SUMMARY OF ORDINANCE REQUIREMENTS

Projects that meet the definition of Residential Demolition in the Planning Code must replace units, including any protected units. Further, existing occupant protections apply and are described below. The following sections outline the requirements brought forward by the Ordinance.

Conditional Use Authorization Process for Demolition of Residential Units

Procedures

Projects that propose demolition of a residential unit must go through the Conditional Use Authorization (CUA) process unless they qualify for an exemption. CUA applications require review and approval by the Planning Commission at a public hearing.

Projects must meet **six out of the following eight criteria** to be approved by the Planning Commission.

- The property is not subject to an open or unabated notice of violation issued by the Planning Department or Department of Building Inspection at the time the Development Application is submitted.
- The project does not propose changes to more than 20% of the character defining features of a building that is designated as a landmark under Article 10, is listed as a contributor to an historic district in Article 10, is listed as a Significant or Contributory Building under Article 11, is listed in the California Register of Historical Resources, or is listed on the National Register of Historic Places.
- The project increases the number of Residential Units subject to the rent increase limitations of the Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code) compared to the number of existing Residential Units and Unauthorized Units subject to the rent increase limitations of the Residential Rent Stabilization and Arbitration Ordinance.
- The project does not require the Residential Demolition of existing, deed-restricted, affordable and/or below market rate housing, or increases the number of permanently Affordable Units located on the site.
- The project, if five units or more, increases the number of two or more bedroom units on-site.
- The project is a rental project.
- The project results in a net increase of Dwelling Units on-site and number of bedrooms on-site.
- No tenant has vacated any unit in the building within the previous 36 months pursuant to a notice to vacate under Administrative Code Section 37.9(a)(8) that was served after February 7, 2026.

If a criterion is not applicable (for example, the fourth criterion does not apply if a project proposes four units), the criterion is considered to have been met. Following approval of a Conditional Use Authorization, a building permit may be issued for the demolition.

Additional Requirements for Permit Issuance

- A permit to demolish a residential unit shall not be issued unless the project sponsors have complied with noticing and relocation plan requirements.
- If the Planning Department or a court determines that proper disclosures during a buyout agreement were not provided, authorization to demolish the unit shall be conditioned on the expiration of five years from the date the decision became final. Project sponsors may request a substantial compliance determination from the Rent Board stating they have provided substantial disclosures to tenants.
- If the Rent Board has determined there was a wrongful endeavor to recover possession of a rental unit through tenant harassment, authorization to demolish the unit shall be conditioned on the expiration of five years from the date the decision became final.

Conditional Use Authorization (CUA) Exemptions

Outside of the Priority Equity Geographies Special Use District, the Conditional Use Authorization requirement shall not apply if:

- The project sponsor certifies under penalty of perjury that any units to be demolished are not tenant occupied and are without a history of evictions under Admin Code Section 37.9(a)(8)-(12), (14), or (17) within the past ten years, and have not been vacated within the past ten years pursuant to a Buyout Agreement;
- No units would be removed or demolished that were rent controlled, deed-restricted affordable housing, or last occupied by a lower income household within the past ten years;

- The building proposed for demolition is not an historic building;
- The project proposes a net increase of at least one residential unit;
- The project complies with the requirements of Planning Code Section 317.2; and
- The project sponsor has conducted one neighborhood meeting that conforms to the requirements of Planning Code Section 317(c)(2)(F) prior to or within 20 days of filing a development application.

Replacement of Residential Units

No Net Loss of Housing

Any housing development project requiring residential demolition must include **at least** as many residential units to be demolished or that existed at the site within the last five years.

Comparable Units

All occupied or vacant protected units or protected units that were demolished within the last five years must be **replaced with "comparable units."** Comparable unit means a unit possessing the same number of bedrooms, full bathrooms, and at least 90% of the square footage as the demolished unit. Comparable units need to be accessible if the protected unit to be demolished was accessible. A three-bedroom unit is considered a comparable unit for a single-family home with four or more bedrooms in a project that proposes at least two or more units.

Deed-Restricted Affordable Units

Deed-restricted affordable units that are demolished must be replaced with **deed-restricted affordable units** in rental and ownership projects.

Rent-Controlled Units

Rent-controlled units that are demolished must be replaced with **rent-controlled units** in rental projects and **deed-restricted affordable units** at 80% AMI in ownership projects.

Units Occupied by Lower-Income Households

Units occupied within the last five years by lower-income households must be replaced with **deed-restricted affordable units** in rental and ownership projects.

Occupied Units Where Incomes Are Unknown

Units occupied within the last five years where incomes are unknown must be replaced as **deed-restricted affordable units** according to the share of very low- and low-income renter households in San Francisco as shown in data from the Comprehensive Housing Affordability Strategy[1] (CHAS). The balance that isn't considered lower income households is replaced as rent-controlled or market rate depending on protected unit status.

[1] The CHAS is a database that the US Department of Housing publishes every year that shows the income range distribution of households in different geographies throughout the country. According to state law, occupied units where incomes are unknown must be replaced with affordable units according to the CHAS's distribution of very-low- and low-income households.

Exemption for 100% Affordable Housing

100% affordable housing developments can meet protected unit replacement requirements by including at least the **same total number of protected units** and the **same total number of bedrooms** in those units.

Affordability Restriction

All deed-restricted affordable units or below-market-rate housing that result from protected unit replacement must be **affordable for the life of the project**. Additionally, tenants of these replacement units must have the **same rights and privileges** as other tenants in the building or complex, as applicable and if provided generally. For example, if tenants have access to fitness facilities without additional cost, tenants of replacement units must also have access to the facilities.

Inclusionary Requirements

Replacement of protected units are counted towards satisfying inclusionary requirements or any other affordable housing requirements.

Replacement Unit Tracking

All replacement units that result from protected unit replacement requirements will be tracked on the Planning Department’s Public Information Map.

Protections for Existing Occupants

Relocation Plan

Property owners who are pursuing demolition projects are required to absorb the impacts that the project will cause to existing tenants. All project sponsors must submit **a compliant relocation plan** as part of their application if there are existing occupants at the site. A compliant relocation plan is **required** for the issuance of a demolition permit. The Department will provide a template to guide the creation of a relocation plan.

Tenant Noticing

Accessible and frequent tenant noticing is required from project application to project conclusion. Noticing must comply with language access requirements and includes:

- Notice of the Project Application
- Notice of Right to Remain
- Notice of Right to Relocation Benefits
- Notice of a Right of First Refusal
- Notice at Major Milestones for Existing Occupants who Intend to Exercise a Right of First Refusal
- Notice of Replacement Unit Availability for Right of First Refusal
- Notice of Right to Return if Demolition Does Not Proceed

For more information on the timing and manner of the preceding notices, please review the Department’s Implementation Document. Compliant noticing is **required** for the issuance of a demolition permit. The Department will provide templates for the above notices along with their translations.

Right to Remain

Existing occupants have the right to remain in their unit prior to demolition, as follows:

- **Lower-income households**[2]: Three months prior to demolition
- Above-lower income households[3]: Six months prior to demolition

Right to Relocation Benefits

All tenants receive relocation payments equivalent to relocation payments for Ellis Act evictions.

Lower-income households receive additional relocation benefits in one of the following forms: (1) substitute housing; (2) a monthly payment for up to an additional 39 months equivalent to the difference between the maximum monthly rent for that household income and unit type as published by the Mayor's Office of Housing and Community Development, and the San Francisco Housing Authority Payment Standard for that unit size (or the amount that the household is paying for interim housing, whichever is less) (see schedule); or (3) an individualized plan that provides financial payments in the amounts required to be paid by public entities under California Government Code Sections 7260-7277.

Right of First Refusal

Existing occupants have a right of first refusal for protected units replaced in the new project, as follows:

- **Lower-Income households:** Right of first refusal for an affordable comparable unit at prior rental rate or rent affordable to them (whichever is lower) if the project is a rental, or at an affordable cost if the project is for ownership.
- **Above lower-income households:** Right of first refusal only for a comparable unit in a new rental development (and only if their prior unit was protected); rents may be at market rate.

A project sponsor must provide documentation that the Right of First Refusal has been extended to tenants for the City to issue a Temporary Certificate of Occupancy and/or a Final Certificate of Occupancy.

Major Milestones for Existing Occupants who Intend to Exercise a Right of First Refusal

Project sponsors shall notify all Existing Occupant of major milestones in the development process, including but not limited to:

- the start of construction;
- on at least a bi-annual basis, the anticipated date of when occupancy will be available;
- at least 180, 90, and 30 days in advance of the anticipated availability of the unit prior to the issuance of the Temporary or Final Certificate of Occupancy;
- when the Temporary Certificate of Occupancy is issued; and
- when the Final Certificate of Occupancy is issued.

Notice of Replacement Unit Availability for Right of First Refusal

Project sponsors shall inform tenants who have exercised their right of first refusal of replacement unit availability in writing by certified mail and electronic mail, and shall file a copy of the offer with the Planning Department within 15 days of the offer. The existing occupant shall have 30 days from receipt of the offer to notify the project sponsor whether they accept or reject the offer, and if they accept,

[2] "Lower-income households" are households making 80% or less than the AMI by household size according to the income limits provided by the Mayor's Office of Housing and Community Development (MOHCD).

[3] "Above-lower income households" are households that make more than 80% of the AMI by household size according to the income limits provided by the MOHCD.

shall occupy the unit within 60 days of receipt of the offer or when the project receives its Temporary or Final Certificate of Occupancy for the Replacement Unit, whichever occurs last.

Right to Return if Demolition Does Not Proceed

If the demolition does not proceed and the units return to the rental market, all tenants get a right to return to the unit at **prior rental rate**, adjusted according to the Rent Ordinance.

Private Right of Action

Tenants and non-profits representing them have a private right of action if a project sponsor violates any of the requirements of Section 317.2.

More Information

Malena Leon-Farrera
Senior Planner, Community Planning
SF Planning Department
49 South Van Ness, Suite 1400
San Francisco, California, 94102
malena.leon-farrera@sfgov.org
628-652-7474