

California's Density Bonus Law gives housing developers the right to build additional homes, and obtain other favorable local development requirements, in exchange for building much-needed affordable or senior housing. In 2016 the California Legislature approved three bills to clarify the law and strengthen its encouragement of the development of affordable and senior housing. The Legislature also adopted a new development bonus for commercial developers who enter into agreements to construct affordable housing partnered with their commercial projects.

AB 2501 (Bloom and Low) makes a number of changes that help developers take advantage of the Density Bonus Law along with a few needed clarifications:

- Prohibits local governments from requiring developers to prepare additional reports to qualify for a density bonus, while allowing government agencies to require applicants to provide reasonable documentation.
- Raises the bar for local governments to refuse to grant incentives and concessions requested by an applicant. The law formerly allowed government agencies to reject incentives and concessions which it found were not "required in order to provide for affordable housing costs." Now local governments can only deny a requested incentive or concession that "does not result in identifiable and actual cost reductions." Further, it requires that local governments bear the burden of proof for denying a requested incentive or concession.
- Clarifies that a developer may elect to receive no density bonus at all, while receiving other benefits of the law.
- Allows mixed-use developments to qualify for the density bonus.
- Clarifies that a request for a parking reduction does not count toward the incentives and concessions to which the applicant is entitled.

AB 2442 (Holden) expands the application of the Density Bonus Law to housing developments where at least 10% of the units are made

available for transitional foster youth, disabled veterans or homeless persons, and rents are restricted at the very low income level. Those projects are entitled to a 20% density bonus.

AB 2556 (Nazarian) makes changes clarifying the Density Bonus Law requirements for replacement of affordable housing units. It establishes a rebuttable presumption for the income level of the replacement unit when the income level of the actual prior resident is unknown.

AB 1934 (Santiago) provides a development bonus to a commercial developer who partners with affordable housing developers to construct affordable housing either on the commercial site or at an appropriate offsite location. The development bonus may include up to a 20% increase in development intensity, floor area ratio, or height limits, up to a 20% reduction in parking requirements, or an exception to a zoning ordinance or land use requirement, as mutually agreed upon by the developer and the jurisdiction.