AMENDED IN ASSEMBLY APRIL 13, 2023

AMENDED IN ASSEMBLY MARCH 21, 2023

CALIFORNIA LEGISLATURE-2023-24 REGULAR SESSION

ASSEMBLY BILL

No. 1287

Introduced by Assembly Member Alvarez

February 16, 2023

An act to amend Section 65915 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1287, as amended, Alvarez. Density Bonus Law: additional density bonus and incentives or concessions: California Coastal Act of 1976.

Existing law, referred to as the Density Bonus Law, requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus and other concessions or incentives or concessions, as specified, if the developer agrees to construct specified percentages of units for lower income households or very low income households, and meets other requirements.

This bill would require a city, county, or city and county to grant an additional density bonus, calculated as specified, when (1) an applicant proposes to construct a housing development that conforms to specified *requirements and requirements,* (2) the applicant agrees to include additional units affordable to very low income households or moderate income households, as specified, and (3) the housing development provides 24% of the base density units to lower income households, conforms to specified requirements and provides 15% of the base density units to very low income households, or conforms to specified requirements and provides 15% of the base density units to very low income households, or conforms to specified

requirements and provides 44% of the total units to moderate-income units. The bill would require a city, county, or city and county to grant additional four incentives or concessions for a project that-meets any of those categories and also includes certain percentages of units for persons and families of moderate income. By imposing additional duties on local officials in administering the Density Bonus Law, this bill would create a state-mandated local program. includes at least 16% of the units for very low income households or at least 45% for persons and families of moderate income in a development in which the units are for sale. The bill would increase the incentives or concessions for a project in which 100% of all units are for lower income households, as specified, from 4 to 5.

Existing law, the California Coastal Act of 1976 (act), regulates development, as defined, in the coastal zone, as defined, and requires a new development to comply with specified requirements. The Density Bonus Law provides that its provisions do not supersede or in any way alter or lessen the effect or application of the act, and requires that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law be permitted in a manner consistent with the act.

This bill would provide that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law be permitted notwithstanding the act.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 65915 of the Government Code is 2 amended to read:

3 65915. (a) (1) When an applicant seeks a density bonus for

4 a housing development within, or for the donation of land for

5 housing within, the jurisdiction of a city, county, or city and county,

1 that local government shall comply with this section. A city,

3

2 county, or city and county shall adopt an ordinance that specifies 3

how compliance with this section will be implemented. Except as 4

otherwise provided in subdivision (s), failure to adopt an ordinance 5 shall not relieve a city, county, or city and county from complying

6 with this section.

7 (2) A local government shall not condition the submission, 8 review, or approval of an application pursuant to this chapter on 9 the preparation of an additional report or study that is not otherwise 10 required by state law, including this section. This subdivision does 11 not prohibit a local government from requiring an applicant to 12 provide reasonable documentation to establish eligibility for a requested density bonus, incentives or concessions, as described 13 14 in subdivision (d), waivers or reductions of development standards, 15 as described in subdivision (e), and parking ratios, as described in

16 subdivision (p).

17 (3) In order to provide for the expeditious processing of a density 18 bonus application, the local government shall do all of the 19 following:

20 (A) Adopt procedures and timelines for processing a density 21 bonus application.

22 (B) Provide a list of all documents and information required to 23 be submitted with the density bonus application in order for the 24 density bonus application to be deemed complete. This list shall 25 be consistent with this chapter.

26 (C) Notify the applicant for a density bonus whether the 27 application is complete in a manner consistent with the timelines 28 specified in Section 65943.

29 (D) (i) If the local government notifies the applicant that the 30 application is deemed complete pursuant to subparagraph (C), 31 provide the applicant with a determination as to the following 32 matters:

33 (I) The amount of density bonus, calculated pursuant to 34 subdivision (f), for which the applicant is eligible.

35 (II) If the applicant requests a parking ratio pursuant to 36 subdivision (p), the parking ratio for which the applicant is eligible. 37 (III) If the applicant requests incentives or concessions pursuant

38 to subdivision (d) or waivers or reductions of development 39 standards pursuant to subdivision (e), whether the applicant has 40 provided adequate information for the local government to make

- 1 a determination as to those incentives, concessions, or waivers or
- 2 reductions of development standards.

3 (ii) Any determination required by this subparagraph shall be 4 based on the development project at the time the application is

based on the development project at the time the application is
deemed complete. The local government shall adjust the amount
of density bonus and parking ratios awarded pursuant to this section

7 based on any changes to the project during the course of 8 development.

9 (b) (1) A city, county, or city and county shall grant one density 10 bonus, the amount of which shall be as specified in subdivision 11 (f), and, if requested by the applicant and consistent with the 12 applicable requirements of this section, incentives or concessions, 13 as described in subdivision (d), waivers or reductions of 14 development standards, as described in subdivision (e), and parking 15 ratios, as described in subdivision (p), if an applicant for a housing

16 development seeks and agrees to construct a housing development,

17 excluding any units permitted by the density bonus awarded

18 pursuant to this section, that will contain at least any one of the19 following:

(A) Ten percent of the total units of a housing development,
including a shared housing building development, for rental or
sale to lower income households, as defined in Section 50079.5
of the Health and Safety Code.

(B) Five percent of the total units of a housing development,
including a shared housing building development, for rental or
sale to very low income households, as defined in Section 50105
of the Health and Safety Code.

(C) A senior citizen housing development, as defined in Sections
51.3 and 51.12 of the Civil Code, or a mobilehome park that limits
residency based on age requirements for housing for older persons
pursuant to Section 798.76 or 799.5 of the Civil Code. For purposes
of this subparagraph, "development" includes a shared housing

33 building development.

34 (D) Ten percent of the total dwelling units of a housing 35 development are sold to persons and families of moderate income,

as defined in Section 50093 of the Health and Safety Code,
provided that all units in the development are offered to the public
for purchase.

39 (E) Ten percent of the total units of a housing development for 40 transitional foster youth, as defined in Section 66025.9 of the

1 Education Code, disabled veterans, as defined in Section 18541,

2 or homeless persons, as defined in the federal McKinney-Vento

3 Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units

4 described in this subparagraph shall be subject to a recorded

5 affordability restriction of 55 years and shall be provided at the

6 same affordability level as very low income units.

7 (F) (i) Twenty percent of the total units for lower income 8 students in a student housing development that meets the following 9 requirements:

10 (I) All units in the student housing development will be used 11 exclusively for undergraduate, graduate, or professional students 12 enrolled full time at an institution of higher education accredited 13 by the Western Association of Schools and Colleges or the 14 Accrediting Commission for Community and Junior Colleges. In 15 order to be eligible under this subclause, the developer shall, as a condition of receiving a certificate of occupancy, provide evidence 16 17 to the city, county, or city and county that the developer has entered 18 into an operating agreement or master lease with one or more 19 institutions of higher education for the institution or institutions 20 to occupy all units of the student housing development with 21 students from that institution or institutions. An operating 22 agreement or master lease entered into pursuant to this subclause 23 is not violated or breached if, in any subsequent year, there are not 24 sufficient students enrolled in an institution of higher education

25 to fill all units in the student housing development.

26 (II) The applicable 20-percent units will be used for lower27 income students.

28 (III) The rent provided in the applicable units of the development

for lower income students shall be calculated at 30 percent of 65
percent of the area median income for a single-room occupancy
unit type.

(IV) The development will provide priority for the applicable
affordable units for lower income students experiencing
homelessness. A homeless service provider, as defined in paragraph
(3) of subdivision (e) of Section 103577 of the Health and Safety
Code, or institution of higher education that has knowledge of a
person's homeless status may verify a person's status as homeless

38 for purposes of this subclause.

(ii) For purposes of calculating a density bonus granted pursuantto this subparagraph, the term "unit" as used in this section means

1 one rental bed and its pro rata share of associated common area

2 facilities. The units described in this subparagraph shall be subject3 to a recorded affordability restriction of 55 years.

4 (G) One hundred percent of all units in the development, 5 including total units and density bonus units, but exclusive of a 6 manager's unit or units, are for lower income households, as 7 defined by Section 50079.5 of the Health and Safety Code, except 8 that up to 20 percent of the units in the development, including 9 total units and density bonus units, may be for moderate-income 10 households, as defined in Section 50053 of the Health and Safety Code. For purposes of this subparagraph, "development" includes 11 12 a shared housing building development. 13 (2) For purposes of calculating the amount of the density bonus 14 pursuant to subdivision (f), an applicant who requests a density

bonus pursuant to this subdivision shall elect whether the bonus
shall be awarded on the basis of subparagraph (A), (B), (C), (D),
(E), (F), or (G) of paragraph (1).

(c) (1) (A) An applicant shall agree to, and the city, county,
or city and county shall ensure, the continued affordability of all
very low and low-income rental units that qualified the applicant
for the award of the density bonus for 55 years or a longer period
of time if required by the construction or mortgage financing
assistance program, mortgage insurance program, or rental subsidy
program.

(B) (i) Except as otherwise provided in clause (ii), rents for the
lower income density bonus units shall be set at an affordable rent,
as defined in Section 50053 of the Health and Safety Code.

(ii) For housing developments meeting the criteria of
subparagraph (G) of paragraph (1) of subdivision (b), rents for all
units in the development, including both base density and density
bonus units, shall be as follows:

32 (I) The rent for at least 20 percent of the units in the
33 development shall be set at an affordable rent, as defined in Section
34 50053 of the Health and Safety Code.

(II) The rent for the remaining units in the development shall
be set at an amount consistent with the maximum rent levels for
lower income households, as those rents and incomes are
determined by the California Tax Credit Allocation Committee.

39 (2) (A) An applicant shall agree to ensure, and the city, county,40 or city and county shall ensure, that a for-sale unit that qualified

1 the applicant for the award of the density bonus meets either of2 the following conditions:

3 (i) The unit is initially occupied by a person or family of very
4 low, low, or moderate income, as required, and it is offered at an
5 affordable housing cost, as that cost is defined in Section 50052.5
6 of the Health and Safety Code and is subject to an equity sharing
7 agreement.

8 (ii) The unit is purchased by a qualified nonprofit housing 9 corporation pursuant to a recorded contract that satisfies all of the 10 requirements specified in paragraph (10) of subdivision (a) of 11 Section 402.1 of the Revenue and Taxation Code and that includes 12 all of the following:

(I) A repurchase option that requires a subsequent purchaser of
the property that desires to resell or convey the property to offer
the qualified nonprofit corporation the right to repurchase the
property prior to selling or conveying that property to any other
purchaser.

18 (II) An equity sharing agreement.

(III) Affordability restrictions on the sale and conveyance of
the property that ensure that the property will be preserved for
lower income housing for at least 45 years for owner-occupied
housing units and will be sold or resold only to persons or families
of very low, low, or moderate income, as defined in Section
50052.5 of the Health and Safety Code.
(B) For purposes of this paragraph, a "qualified nonprofit

housing corporation" is a nonprofit housing corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

32 (C) The local government shall enforce an equity sharing 33 agreement required pursuant to clause (i) or (ii) of subparagraph 34 (A), unless it is in conflict with the requirements of another public 35 funding source or law or may defer to the recapture provisions of 36 the public funding source. The following early to the equity

the public funding source. The following apply to the equitysharing agreement:

38 (i) Upon resale, the seller of the unit shall retain the value of

39 any improvements, the downpayment, and the seller's proportionate

40 share of appreciation.

(ii) Except as provided in clause (v), the local government shall
recapture any initial subsidy, as defined in clause (iii), and its
proportionate share of appreciation, as defined in clause (iv), which
amount shall be used within five years for any of the purposes
described in subdivision (e) of Section 33334.2 of the Health and
Safety Code that promote home ownership.

(iii) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(iv) For purposes of this subdivision, the local government's
proportionate share of appreciation shall be equal to the ratio of
the local government's initial subsidy to the fair market value of
the home at the time of initial sale.

18 (v) If the unit is purchased or developed by a qualified nonprofit 19 housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified 20 21 nonprofit housing corporation under which the qualified nonprofit 22 housing corporation would recapture any initial subsidy and its 23 proportionate share of appreciation if the qualified nonprofit 24 housing corporation is required to use 100 percent of the proceeds 25 to promote home ownership for lower income households as 26 defined by Health and Safety Code Section 50079.5 within the 27 jurisdiction of the local government. 28 (3) (A) An applicant shall be ineligible for a density bonus or 29 any other incentives or concessions under this section if the housing

30 development is proposed on any property that includes a parcel or 31 parcels on which rental dwelling units are or, if the dwelling units 32 have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, 33 34 ordinance, or law that restricts rents to levels affordable to persons 35 and families of lower or very low income; subject to any other form of rent or price control through a public entity's valid exercise 36 of its police power; or occupied by lower or very low income 37 38 households, unless the proposed housing development replaces

39 those units, and either of the following applies:

(i) The proposed housing development, inclusive of the units
replaced pursuant to this paragraph, contains affordable units at
the percentages set forth in subdivision (b).

9

4 (ii) Each unit in the development, exclusive of a manager's unit
5 or units, is affordable to, and occupied by, either a lower or very
6 low income household.

7 (B) For the purposes of this paragraph, "replace" shall mean 8 either of the following:

9 (i) If any dwelling units described in subparagraph (A) are 10 occupied on the date of application, the proposed housing 11 development shall provide at least the same number of units of 12 equivalent size to be made available at affordable rent or affordable 13 housing cost to, and occupied by, persons and families in the same 14 or lower income category as those households in occupancy. If 15 the income category of the household in occupancy is not known, 16 it shall be rebuttably presumed that lower income renter households 17 occupied these units in the same proportion of lower income renter 18 households to all renter households within the jurisdiction, as 19 determined by the most recently available data from the United 20 States Department of Housing and Urban Development's 21 Comprehensive Housing Affordability Strategy database. For 22 unoccupied dwelling units described in subparagraph (A) in a 23 development with occupied units, the proposed housing development shall provide units of equivalent size to be made 24 25 available at affordable rent or affordable housing cost to, and 26 occupied by, persons and families in the same or lower income 27 category as the last household in occupancy. If the income category 28 of the last household in occupancy is not known, it shall be 29 rebuttably presumed that lower income renter households occupied 30 these units in the same proportion of lower income renter 31 households to all renter households within the jurisdiction, as 32 determined by the most recently available data from the United 33 States Department of Housing and Urban Development's 34 Comprehensive Housing Affordability Strategy database. All 35 replacement calculations resulting in fractional units shall be 36 rounded up to the next whole number. If the replacement units will 37 be rental dwelling units, these units shall be subject to a recorded 38 affordability restriction for at least 55 years. If the proposed 39 development is for-sale units, the units replaced shall be subject 40 to paragraph (2).

1 (ii) If all dwelling units described in subparagraph (A) have 2 been vacated or demolished within the five-year period preceding 3 the application, the proposed housing development shall provide 4 at least the same number of units of equivalent size as existed at 5 the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable 6 7 housing cost to, and occupied by, persons and families in the same 8 or lower income category as those persons and families in 9 occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, it shall 10 be rebuttably presumed that low-income and very low income 11 12 renter households occupied these units in the same proportion of 13 low-income and very low income renter households to all renter 14 households within the jurisdiction, as determined by the most 15 recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing 16 17 Affordability Strategy database. All replacement calculations 18 resulting in fractional units shall be rounded up to the next whole 19 number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction 20 21 for at least 55 years. If the proposed development is for-sale units, 22 the units replaced shall be subject to paragraph (2). 23 (C) Notwithstanding subparagraph (B), for any dwelling unit 24 described in subparagraph (A) that is or was, within the five-year

described in subparagraph (A) that is or was, within the five-year period preceding the application, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income, the city, county, or city and county may do either of the following:

(i) Require that the replacement units be made available at
affordable rent or affordable housing cost to, and occupied by,
low-income persons or families. If the replacement units will be
rental dwelling units, these units shall be subject to a recorded
affordability restriction for at least 55 years. If the proposed
development is for-sale units, the units replaced shall be subject
to paragraph (2).

(ii) Require that the units be replaced in compliance with the
jurisdiction's rent or price control ordinance, provided that each
unit described in subparagraph (A) is replaced. Unless otherwise

required by the jurisdiction's rent or price control ordinance, these
 units shall not be subject to a recorded affordability restriction.

3 (D) For purposes of this paragraph, "equivalent size" means 4 that the replacement units contain at least the same total number 5 of bedrooms as the units being replaced.

6 (E) Subparagraph (A) does not apply to an applicant seeking a 7 density bonus for a proposed housing development if the 8 applicant's application was submitted to, or processed by, a city, 9 county, or city and county before January 1, 2015.

10 (d) (1) An applicant for a density bonus pursuant to subdivision 11 (b) may submit to a city, county, or city and county a proposal for 12 the specific incentives or concessions that the applicant requests 13 pursuant to this section, and may request a meeting with the city, 14 county, or city and county. The city, county, or city and county 15 shall grant the concession or incentive requested by the applicant 16 unless the city, county, or city and county makes a written finding, 17 based upon substantial evidence, of any of the following:

(A) The concession or incentive does not result in identifiable
and actual cost reductions, consistent with subdivision (k), to
provide for affordable housing costs, as defined in Section 50052.5
of the Health and Safety Code, or for rents for the targeted units

- 22 to be set as specified in subdivision (c).
- 23 (B) The concession or incentive would have a specific, adverse

impact, as defined in paragraph (2) of subdivision (d) of Section65589.5, upon public health and safety or on any real property that

26 is listed in the California Register of Historical Resources and for

27 which there is no feasible method to satisfactorily mitigate or avoid

28 the specific, adverse impact without rendering the development

29 unaffordable to low-income and moderate-income households.

30 (C) The concession or incentive would be contrary to state or 31 federal law.

32 (2) The applicant shall receive the following number of33 incentives or concessions:

34 (A) One incentive or concession for projects that include at least

35 10 percent of the total units for lower income households, at least

36 5 percent for very low income households, or at least 10 percent37 for persons and families of moderate income in a development in

38 which the units are for sale.

39 (B) Two incentives or concessions for projects that include at 40 least 17 percent of the total units for lower income households, at

1 least 10 percent for very low income households, or at least 20

2 percent for persons and families of moderate income in a3 development in which the units are for sale.

4 (C) Three incentives or concessions for projects that include at

5 least 24 percent of the total units for lower income households, at

6 least 15 percent for very low income households, or at least 30
7 percent for persons and families of moderate income in a
8 development in which the units are for sale.

9 (D) Four *Five* incentives or concessions for a project meeting 10 the criteria of subparagraph (G) of paragraph (1) of subdivision

11 (b). If the project is located within one-half mile of a major transit

12 stop or is located in a very low vehicle travel area in a designated

13 county, the applicant shall also receive a height increase of up to14 three additional stories, or 33 feet.

(E) One incentive or concession for projects that include at least
20 percent of the total units for lower income students in a student
housing development.

18 (F) Four incentives or concessions for projects that include at 19 least 5 percent of the total units for persons and families of 20 moderate income pursuant to subdivision (v). 16 percent of the 21 units for very low income households or at least 45 percent for 22 persons and families of moderate income in a development in 23 which the units are for sale.

24 (G) Five incentives or concessions for projects that include at
 25 least 10 percent for persons and families of moderate income
 26 pursuant to subdivision (v).

27 (H) Six incentives or concessions for projects that include at
 28 least 15 percent for persons and families of moderate income
 29 pursuant to subdivision (v).

30 (3) The applicant may initiate judicial proceedings if the city, 31 county, or city and county refuses to grant a requested density 32 bonus, incentive, or concession. If a court finds that the refusal to 33 grant a requested density bonus, incentive, or concession is in 34 violation of this section, the court shall award the plaintiff 35 reasonable attorney's fees and costs of suit. This subdivision shall 36 not be interpreted to require a local government to grant an 37 incentive or concession that has a specific, adverse impact, as 38 defined in paragraph (2) of subdivision (d) of Section 65589.5, 39 upon health or safety, and for which there is no feasible method 40 to satisfactorily mitigate or avoid the specific, adverse impact.

1 This subdivision shall not be interpreted to require a local 2 government to grant an incentive or concession that would have 3 an adverse impact on any real property that is listed in the 4 California Register of Historical Resources. The city, county, or 5 city and county shall establish procedures for carrying out this 6 section that shall include legislative body approval of the means 7 of compliance with this section.

8 (4) The city, county, or city and county shall bear the burden 9 of proof for the denial of a requested concession or incentive.

10 (e) (1) In no case may a city, county, or city and county apply 11 any development standard that will have the effect of physically 12 precluding the construction of a development meeting the criteria 13 of subdivision (b) at the densities or with the concessions or 14 incentives permitted by this section. Subject to paragraph (3), an 15 applicant may submit to a city, county, or city and county a 16 proposal for the waiver or reduction of development standards that 17 will have the effect of physically precluding the construction of a 18 development meeting the criteria of subdivision (b) at the densities 19 or with the concessions or incentives permitted under this section, 20 and may request a meeting with the city, county, or city and county. 21 If a court finds that the refusal to grant a waiver or reduction of 22 development standards is in violation of this section, the court 23 shall award the plaintiff reasonable attorney's fees and costs of 24 suit. This subdivision shall not be interpreted to require a local 25 government to waive or reduce development standards if the waiver 26 or reduction would have a specific, adverse impact, as defined in 27 paragraph (2) of subdivision (d) of Section 65589.5, upon health 28 or safety, and for which there is no feasible method to satisfactorily 29 mitigate or avoid the specific, adverse impact. This subdivision 30 shall not be interpreted to require a local government to waive or 31 reduce development standards that would have an adverse impact 32 on any real property that is listed in the California Register of 33 Historical Resources, or to grant any waiver or reduction that would 34 be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development
standards pursuant to this subdivision shall neither reduce nor
increase the number of incentives or concessions to which the
applicant is entitled pursuant to subdivision (d).

39 (3) A housing development that receives a waiver from any40 maximum controls on density pursuant to clause (ii) of

1 subparagraph (D) of paragraph (3) of subdivision (f) shall only be

2 eligible for a waiver or reduction of development standards as

3 provided in subparagraph (D) of paragraph (2) of subdivision (d)

4 and clause (ii) of subparagraph (D) of paragraph (3) of subdivision

5 (f), unless the city, county, or city and county agrees to additional6 waivers or reductions of development standards.

7 (f) For the purposes of this chapter, "density bonus" means a 8 density increase over the otherwise maximum allowable gross 9 residential density as of the date of application by the applicant to the city, county, or city and county, or, if elected by the applicant, 10 a lesser percentage of density increase, including, but not limited 11 to, no increase in density. The amount of density increase to which 12 13 the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the 14

percentage established in subdivision (b).
(1) For housing developments meeting the criteria of
subparagraph (A) of paragraph (1) of subdivision (b), the density
bonus shall be calculated as follows:

19

17		
20	Percentage Low-Income Units	Percentage Density
21		Bonus
22	10	20
23	11	21.5
24	12	23
25	13	24.5
26	14	26
27	15	27.5
28	16	29
29	17	30.5
30	18	32
31	19	33.5
32	20	35
33	21	38.75
34	22	42.5
35	23	46.25
36	24	50
37		
20		

38 (2) For housing developments meeting the criteria of 39 subparagraph (B) of paragraph (1) of subdivision (b), the density 40 bonus shall be calculated as follows:

1	Percentage Very Low Income Units	Percentage Density Bonus
2	5	20
3	6	22.5
4	7	25
5	8	27.5
6	9	30
7	10	32.5
8	11	35
9	12	38.75
10	13	42.5
11	14	46.25
12	15	50
13		

(3) (A) For housing developments meeting the criteria of
subparagraph (C) of paragraph (1) of subdivision (b), the density
bonus shall be 20 percent of the number of senior housing units.

(B) For housing developments meeting the criteria of
subparagraph (E) of paragraph (1) of subdivision (b), the density
bonus shall be 20 percent of the number of the type of units giving
rise to a density bonus under that subparagraph.

21 (C) For housing developments meeting the criteria of
22 subparagraph (F) of paragraph (1) of subdivision (b), the density
23 bonus shall be 35 percent of the student housing units.

(D) For housing developments meeting the criteria of
subparagraph (G) of paragraph (1) of subdivision (b), the following
shall apply:

(i) Except as otherwise provided in clauses (ii) and (iii), the
density bonus shall be 80 percent of the number of units for lower
income households.

(ii) If the housing development is located within one-half mile
of a major transit stop, the city, county, or city and county shall
not impose any maximum controls on density.

(iii) If the housing development is located in a very low vehicle
travel area within a designated county, the city, county, or city and
county shall not impose any maximum controls on density.

36 (4) For housing developments meeting the criteria of
37 subparagraph (D) of paragraph (1) of subdivision (b), the density
38 bonus shall be calculated as follows:

39

40 Percentage Moderate-Income Units

Percentage Density Bonus

1	10	5
2	11	6
3	12	7
4	13	8
5	14	9
2 3 4 5 6	15	10
7	16	11
8	17	12
9	18	13
10	19	14
11	20	15
12	21	16
13	22	17
14	23	18
15	24	19
16	25	20
17	26	21
18	27	22
19	28	23
20	29	24
21	30	25
22	31	26
23	32	27
24	33	28
25	34	29
26	35	30
27	36	31
28	37	32
29	38	33
30	39	34
31	40	35
32	41	38.75
33	42	42.5
34	43	46.25
35	44	50
36		

(5) All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not require, or be interpreted, in and of itself, to require

a general plan amendment, local coastal plan amendment, zoning
 change, or other discretionary approval.

3 (g) (1) When an applicant for a tentative subdivision map, 4 parcel map, or other residential development approval donates 5 land to a city, county, or city and county in accordance with this 6 subdivision, the applicant shall be entitled to a 15-percent increase 7 above the otherwise maximum allowable residential density for 8 the entire development, as follows:

Percentage Very Low Income Percentage Density Bonus

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of

1 development. An applicant shall be eligible for the increased 2 density bonus described in this subdivision if all of the following

3 conditions are met:

4 (A) The applicant donates and transfers the land no later than 5 the date of approval of the final subdivision map, parcel map, or 6 residential development application.

(B) The developable acreage and zoning classification of the
land being transferred are sufficient to permit construction of units
affordable to very low income households in an amount not less
than 10 percent of the number of residential units of the proposed
development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

19 (D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the 20 21 development of the very low income housing units on the 22 transferred land, not later than the date of approval of the final 23 subdivision map, parcel map, or residential development application, except that the local government may subject the 24 25 proposed development to subsequent design review to the extent 26 authorized by subdivision (i) of Section 65583.2 if the design is 27 not reviewed by the local government before the time of transfer.

28 (E) The transferred land and the affordable units shall be subject 29 to a deed restriction ensuring continued affordability of the units 30 consistent with paragraphs (1) and (2) of subdivision (c), which 31 shall be recorded on the property at the time of the transfer.

32 (F) The land is transferred to the local agency or to a housing 33 developer approved by the local agency. The local agency may 34 require the applicant to identify and transfer the land to the 35 developer.

36 (G) The transferred land shall be within the boundary of the 37 proposed development or, if the local agency agrees, within 38 one-quarter mile of the boundary of the proposed development.

39 (H) A proposed source of funding for the very low income units 40 shall be identified not later than the date of approval of the final

1 subdivision map, parcel map, or residential development 2 application.

3 (h) (1) When an applicant proposes to construct a housing 4 development that conforms to the requirements of subdivision (b)

5 and includes a childcare facility that will be located on the premises

6 of, as part of, or adjacent to, the project, the city, county, or city7 and county shall grant either of the following:

8 (A) An additional density bonus that is an amount of square 9 feet of residential space that is equal to or greater than the amount 10 of square feet in the childcare facility.

11 (B) An additional concession or incentive that contributes 12 significantly to the economic feasibility of the construction of the 13 childcare facility.

(2) The city, county, or city and county shall require, as acondition of approving the housing development, that the followingoccur:

(A) The childcare facility shall remain in operation for a period
of time that is as long as or longer than the period of time during
which the density bonus units are required to remain affordable
pursuant to subdivision (c).

(B) Of the children who attend the childcare facility, the children
of very low income households, lower income households, or
families of moderate income shall equal a percentage that is equal
to or greater than the percentage of dwelling units that are required
for very low income households, lower income households, or
families of moderate income pursuant to subdivision (b).

(3) Notwithstanding any requirement of this subdivision, a city,
county, or city and county shall not be required to provide a density
bonus or concession for a childcare facility if it finds, based upon
substantial evidence, that the community has adequate childcare
facilities.

(4) "Childcare facility," as used in this section, means a child
daycare facility other than a family daycare home, including, but
not limited to, infant centers, preschools, extended daycare
facilities, and schoolage childcare centers.

(i) "Housing development," as used in this section, means a
development project for five or more residential units, including
mixed-use developments. For the purposes of this section, "housing
development" also includes a subdivision or common interest
development, as defined in Section 4100 of the Civil Code,

1 approved by a city, county, or city and county and consists of 2 residential units or unimproved residential lots and either a project 3 to substantially rehabilitate and convert an existing commercial 4 building to residential use or the substantial rehabilitation of an 5 existing multifamily dwelling, as defined in subdivision (d) of 6 Section 65863.4, where the result of the rehabilitation would be a 7 net increase in available residential units. For the purpose of 8 calculating a density bonus, the residential units shall be on 9 contiguous sites that are the subject of one development application, but do not have to be based upon individual 10 11 subdivision maps or parcels. The density bonus shall be permitted 12 in geographic areas of the housing development other than the 13 areas where the units for the lower income households are located. 14 (j) (1) The granting of a concession or incentive shall not require 15 or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, 16 17 or other discretionary approval. For purposes of this subdivision, 18 "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that 19 20 the incentive or concession meets the definition set forth in 21 subdivision (k). This provision is declaratory of existing law.

(2) Except as provided in subdivisions (d) and (e), the granting
of a density bonus shall not require or be interpreted to require the
waiver of a local ordinance or provisions of a local ordinance
unrelated to development standards.

(k) For the purposes of this chapter, concession or incentivemeans any of the following:

28 (1) A reduction in site development standards or a modification 29 of zoning code requirements or architectural design requirements 30 that exceed the minimum building standards approved by the 31 California Building Standards Commission as provided in Part 2.5 32 (commencing with Section 18901) of Division 13 of the Health 33 and Safety Code, including, but not limited to, a reduction in 34 setback and square footage requirements and in the ratio of 35 vehicular parking spaces that would otherwise be required that 36 results in identifiable and actual cost reductions, to provide for 37 affordable housing costs, as defined in Section 50052.5 of the 38 Health and Safety Code, or for rents for the targeted units to be 39 set as specified in subdivision (c).

1 (2) Approval of mixed-use zoning in conjunction with the 2 housing project if commercial, office, industrial, or other land uses 3 will reduce the cost of the housing development and if the 4 commercial, office, industrial, or other land uses are compatible 5 with the housing project and the existing or planned development 6 in the area where the proposed housing project will be located.

7 (3) Other regulatory incentives or concessions proposed by the 8 developer or the city, county, or city and county that result in 9 identifiable and actual cost reductions to provide for affordable 10 housing costs, as defined in Section 50052.5 of the Health and 11 Safety Code, or for rents for the targeted units to be set as specified 12 in subdivision (c).

(*l*) Subdivision (k) does not limit or require the provision of
direct financial incentives for the housing development, including
the provision of publicly owned land, by the city, county, or city
and county, or the waiver of fees or dedication requirements.

(m) Any density bonus, concessions, incentives, waivers or
reductions of development standards, and parking ratios to which
an applicant is entitled under this section shall be permitted
notwithstanding the California Coastal Act of 1976 (Division 20
(commencing with Section 30000) of the Public Resources Code).

(n) If permitted by local ordinance, nothing in this section shall
be construed to prohibit a city, county, or city and county from
granting a density bonus greater than what is described in this
section for a development that meets the requirements of this
section or from granting a proportionately lower density bonus
than what is required by this section for developments that do not
meet the requirements of this section.

29 (o) For purposes of this section, the following definitions shall30 apply:

(1) "Designated county" includes the Counties of Alameda,
Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside,
Sacramento, San Bernardino, San Diego, San Francisco, San

34 Mateo, Santa Barbara, Santa Clara, Solano, Sonoma, and Ventura.

35 Ventura, and the City and County of San Francisco.

36 (2) "Development standard" includes a site or construction 37 condition, including, but not limited to, a height limitation, a 38 setback requirement, a floor area ratio, an onsite open-space 39 requirement, a minimum lot area per unit requirement, or a parking

40 ratio that applies to a residential development pursuant to any

1 ordinance, general plan element, specific plan, charter, or other 2 local condition, law, policy, resolution, or regulation.

3 (3) "Located within one-half mile of a major transit stop" means 4 that any point on a proposed development, for which an applicant 5 seeks a density bonus, other incentives or concessions, waivers or 6 reductions of development standards, or a vehicular parking ratio 7 pursuant to this section, is within one-half mile of any point on 8 the property on which a major transit stop is located, including 9 any parking lot owned by the transit authority or other local agency 10 operating the major transit stop.

(4) "Lower income student" means a student who has a 11 12 household income and asset level that does not exceed the level 13 for Cal Grant A or Cal Grant B award recipients as set forth in 14 paragraph (1) of subdivision (k) of Section 69432.7 of the Education Code. The eligibility of a student to occupy a unit for 15 lower income students under this section shall be verified by an 16 17 affidavit, award letter, or letter of eligibility provided by the 18 institution of higher education in which the student is enrolled or 19 by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or 20 21 fee waiver from the college or university, the California Student 22 Aid Commission, or the federal government.

(5) "Major transit stop" has the same meaning as defined insubdivision (b) of Section 21155 of the Public Resources Code.

25 (6) "Maximum allowable residential density" or "base density" 26 means the maximum number of units allowed under the zoning 27 ordinance, specific plan, or land use element of the general plan, 28 or, if a range of density is permitted, means the maximum number of units allowed by the specific zoning range, specific plan, or land 29 30 use element of the general plan applicable to the project. If the 31 density allowed under the zoning ordinance is inconsistent with 32 the density allowed under the land use element of the general plan 33 or specific plan, the greater shall prevail. Density shall be 34 determined using dwelling units per acre. However, if the 35 applicable zoning ordinance, specific plan, or land use element of 36 the general plan does not provide a dwelling-units-per-acre standard 37 for density, then the local agency shall calculate the number of 38 units by:

39 (A) Estimating the realistic development capacity of the site 40 based on the objective development standards applicable to the

1 project, including, but not limited to, floor area ratio, site coverage,

2 maximum building height and number of stories, building setbacks3 and stepbacks, public and private open-space requirements,

4 minimum percentage or square footage of any nonresidential

5 component, and parking requirements, unless not required for the

6 base project. Parking requirements shall include considerations

7 regarding number of spaces, location, design, type, and circulation.

8 A developer may provide a base density study and the local agency

9 shall accept it, provided that it includes all applicable objective

10 development standards.

11 (B) Maintaining the same average unit size and other project

details relevant to the base density study, excepting those that may
be modified by waiver or concession to accommodate the bonus
units, in the proposed project as in the study.

15 (7) (A) (i) "Shared housing building" means a residential or 16 mixed-use structure, with five or more shared housing units and 17 one or more common kitchens and dining areas designed for 18 permanent residence of more than 30 days by its tenants. The 19 kitchens and dining areas within the shared housing building shall 20 be able to adequately accommodate all residents. If a local 21 ordinance further restricts the attributes of a shared housing 22 building beyond the requirements established in this section, the 23 local definition shall apply to the extent that it does not conflict 24 with the requirements of this section.

(ii) A "shared housing building" may include other dwelling
units that are not shared housing units, provided that those dwelling
units do not occupy more than 25 percent of the floor area of the
shared housing building. A shared housing building may include
100 percent shared housing units.

30 (B) "Shared housing unit" means one or more habitable rooms,

31 not within another dwelling unit, that includes a bathroom, sink,

32 refrigerator, and microwave, is used for permanent residence, that

meets the "minimum room area" specified in Section R304 of theCalifornia Residential Code (Part 2.5 of Title 24 of the California

35 Code of Regulations), and complies with the definition of

36 "guestroom" in Section R202 of the California Residential Code.

37 If a local ordinance further restricts the attributes of a shared

38 housing building beyond the requirements established in this

39 section, the local definition shall apply to the extent that it does

40 not conflict with the requirements of this section.

(8) (A) "Total units" or "total dwelling units" means a 1 2 calculation of the number of units that: 3 (i) Excludes a unit added by a density bonus awarded pursuant 4 to this section or any local law granting a greater density bonus. 5 (ii) Includes a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county. 6 7 (B) For purposes of calculating a density bonus granted pursuant 8 to this section for a shared housing building, "unit" means one 9 shared housing unit and its pro rata share of associated common 10 area facilities. (9) "Very low vehicle travel area" means an urbanized area, as 11 designated by the United States Census Bureau, where the existing 12 13 residential development generates vehicle miles traveled per capita 14 that is below 85 percent of either regional vehicle miles traveled 15 per capita or city vehicle miles traveled per capita. For purposes of this paragraph, "area" may include a travel analysis zone, 16 17 hexagon, or grid. For the purposes of determining "regional vehicle miles traveled per capita" pursuant to this paragraph, a "region" 18 19 is the entirety of incorporated and unincorporated areas governed 20 by a multicounty or single-county metropolitan planning 21 organization, or the entirety of the incorporated and unincorporated 22 areas of an individual county that is not part of a metropolitan 23 planning organization. 24 (p) (1) Except as provided in paragraphs (2), (3), and (4), upon 25 the request of the developer, a city, county, or city and county shall 26 not require a vehicular parking ratio, inclusive of parking for 27 persons with a disability and guests, of a development meeting the 28 criteria of subdivisions (b) and (c), that exceeds the following

- 29 ratios:
- 30 (A) Zero to one bedroom: one onsite parking space.
- 31 (B) Two to three bedrooms: one and one-half onsite parking 32 spaces.
- 33 (C) Four and more bedrooms: two and one-half parking spaces. 34 (2) (A) Notwithstanding paragraph (1), if a development 35 includes at least 20 percent low-income units for housing developments meeting the criteria of subparagraph (A) of paragraph 36 37 (1) of subdivision (b) or at least 11 percent very low income units for housing developments meeting the criteria of subparagraph 38 39 (B) of paragraph (1) of subdivision (b), is located within one-half 40 mile of a major transit stop, and there is unobstructed access to
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1 the major transit stop from the development, then, upon the request 2 of the developer, a city, county, or city and county shall not impose 3 a vehicular parking ratio, inclusive of parking for persons with a 4 disability and guests, that exceeds 0.5 spaces per unit. 5 Notwithstanding paragraph (1), if a development includes at least 6 40 percent moderate-income units for housing developments 7 meeting the criteria of subparagraph (D) of paragraph (1) of 8 subdivision (b), is located within one-half mile of a major transit 9 stop, as defined in subdivision (b) of Section 21155 of the Public 10 Resources Code, and the residents of the development have 11 unobstructed access to the major transit stop from the development 12 then, upon the request of the developer, a city, county, or city and 13 county shall not impose a vehicular parking ratio, inclusive of 14 parking for persons with a disability and guests, that exceeds 0.5 15 spaces per bedroom.

16 (B) For purposes of this subdivision, "unobstructed access to 17 the major transit stop" means a resident is able to access the major 18 transit stop without encountering natural or constructed 19 impediments. For purposes of this subparagraph, "natural or constructed impediments" includes, but is not limited to, freeways, 20 21 rivers, mountains, and bodies of water, but does not include 22 residential structures, shopping centers, parking lots, or rails used 23 for transit.

(3) Notwithstanding paragraph (1), if a development meets the
criteria of subparagraph (G) of paragraph (1) of subdivision (b),
then, upon the request of the developer, a city, county, or city and
county shall not impose vehicular parking standards if the
development meets any of the following criteria:

(A) The development is located within one-half mile of a major
transit stop and there is unobstructed access to the major transit
stop from the development.

(B) The development is a for-rent housing development for
individuals who are 55 years of age or older that complies with
Sections 51.2 and 51.3 of the Civil Code and the development has
either paratransit service or unobstructed access, within one-half
mile, to fixed bus route service that operates at least eight times

37 per day.

38 (C) The development is either a special needs housing 39 development, as defined in Section 51312 of the Health and Safety

40 Code, or a supportive housing development, as defined in Section

1 50675.14 of the Health and Safety Code. A development that is a

2 special needs housing development shall have either paratransit 3 service or unobstructed access, within one-half mile, to fixed bus 4 route service that operates at least eight times per day

4 route service that operates at least eight times per day.

5 (4) If the total number of parking spaces required for a 6 development is other than a whole number, the number shall be 7 rounded up to the next whole number. For purposes of this 8 subdivision, a development may provide onsite parking through 9 tandem parking or uncovered parking, but not through onstreet 10 parking.

(5) This subdivision shall apply to a development that meets
the requirements of subdivisions (b) and (c), but only at the request
of the applicant. An applicant may request parking incentives or
concessions beyond those provided in this subdivision pursuant
to subdivision (d).

(6) This subdivision does not preclude a city, county, or cityand county from reducing or eliminating a parking requirementfor development projects of any type in any location.

19 (7) Notwithstanding paragraphs (2) and (3), if a city, county, 20 city and county, or an independent consultant has conducted an 21 areawide or jurisdictionwide parking study in the last seven years, 22 then the city, county, or city and county may impose a higher 23 vehicular parking ratio not to exceed the ratio described in 24 paragraph (1), based upon substantial evidence found in the parking 25 study, that includes, but is not limited to, an analysis of parking 26 availability, differing levels of transit access, walkability access 27 to transit services, the potential for shared parking, the effect of 28 parking requirements on the cost of market-rate and subsidized 29 developments, and the lower rates of car ownership for low-income 30 and very low income individuals, including seniors and special 31 needs individuals. The city, county, or city and county shall pay 32 the costs of any new study. The city, county, or city and county 33 shall make findings, based on a parking study completed in 34 conformity with this paragraph, supporting the need for the higher 35 parking ratio.

36 (8) A request pursuant to this subdivision shall neither reduce
37 nor increase the number of incentives or concessions to which the
38 applicant is entitled pursuant to subdivision (d).

39 (q) Each component of any density calculation, including base 40 density and bonus density, resulting in fractional units shall be

1 separately rounded up to the next whole number. The Legislature

2 finds and declares that this provision is declaratory of existing law.

3 (r) This chapter shall be interpreted liberally in favor of 4 producing the maximum number of total housing units.

5 (s) Notwithstanding any other law, if a city, including a charter 6 city, county, or city and county has adopted an ordinance or a 7 housing program, or both an ordinance and a housing program, 8 that incentivizes the development of affordable housing that allows 9 for density bonuses that exceed the density bonuses required by 10 the version of this section effective through December 31, 2020, 11 that city, county, or city and county is not required to amend or 12 otherwise update its ordinance or corresponding affordable housing 13 incentive program to comply with the amendments made to this 14 section by the act adding this subdivision, and is exempt from 15 complying with the incentive and concession calculation 16 amendments made to this section by the act adding this subdivision 17 as set forth in subdivision (d), particularly subparagraphs (B) and 18 (C) of paragraph (2) of that subdivision, and the amendments made 19 to the density tables under subdivision (f).

(t) When an applicant proposes to construct a housing
development that conforms to the requirements of subparagraph
(A) or (B) of paragraph (1) of subdivision (b) that is a shared
housing building, the city, county, or city and county shall not
require any minimum unit size requirements or minimum bedroom
requirements that are in conflict with paragraph (7) of subdivision
(o).

27 (u) (1) The Legislature finds and declares that the intent behind 28 the Density Bonus Law is to allow public entities to reduce or even 29 eliminate subsidies for a particular project by allowing a developer 30 to include more total units in a project than would otherwise be 31 allowed by the local zoning ordinance in exchange for affordable 32 units. It further reaffirms that the intent is to cover at least some 33 of the financing gap of affordable housing with regulatory 34 incentives, rather than additional public subsidy.

(2) It is therefore the intent of the Legislature to make
modifications to the Density Bonus Law by the act adding this
subdivision to further incentivize the construction of very low,
low-, and moderate-income housing units. It is further the intent
of the Legislature in making these modifications to the Density
Bonus Law to ensure that any additional benefits conferred upon

1 a developer are balanced with the receipt of a public benefit in the 2 form of adequate levels of affordable housing. The Legislature 3 further intends that these modifications will ensure that the Density 4 Bonus Law creates incentives for the construction of more housing 5 across all areas of the state. (v) (1) When A city, county, or city and county shall grant an 6 7 additional density bonus calculated pursuant to paragraph (2) 8 when an applicant proposes to construct a housing development 9 that conforms to the requirements of subparagraph (A) of paragraph

(1) of subdivision (b) (b), agrees to include additional units
affordable to very low income households or moderate income
households, and provides meets any of the following requirements:
(A) The housing development provides 24 percent of the base

density units to lower income households, or conforms households.
(B) The housing development conforms to the requirements of
subparagraph (B) of paragraph (1) of subdivision (b) and provides
15 percent of the base density units to very low income households,

18 or conforms households.

(C) The housing development conforms to the requirements of
subparagraph (D) of paragraph (1) of subdivision (b) and provides
44 percent of the total units to moderate-income units, the units.

(2) A city, county, or city and county shall grant an additional
density bonus for a housing development that meets the
requirements of paragraph (1), calculated as follows:

20		
27	Percentage Very Low Income Units	Percentage Density Bonus
28	5	20
29	6	23.75
30	7	27.5
31	8	31.25
32	9	35
33	10	38.75
34		
35		
36	Percentage Moderate-Income Units	Percentage Density Bonus
37	5	20
38	6	22.5
39	7	25
40	8	27.5

1	9	30
2	10	32.5
3	11	35
4	12	38.75
5	13	42.5
6	14	46.25
7	15	50
Q		

- 8 9
- 10 (2)

11 (3) The increase required by paragraph paragraphs (1) and (2)

12 shall be in addition to any increase in density granted by 13 subdivision (b).

14 SEC. 2. No reimbursement is required by this act pursuant to

15 Section 6 of Article XIIIB of the California Constitution because

16 a local agency or school district has the authority to levy service

17 charges, fees, or assessments sufficient to pay for the program or

18 level of service mandated by this act, within the meaning of Section

19 17556 of the Government Code.

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