

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2433 (Alvarez) – As Amended April 7, 2026

SUBJECT: Housing development: density bonus

SUMMARY: Makes numerous changes to Density Bonus Law (DBL), including establishing a by-right ministerial review process for an infill housing development project and amending floor area ratio (FAR) provisions. Specifically, **this bill:**

- 1) Provides that a city or county shall comply with DBL if the jurisdiction determines an applicant meets at least one of the affordability criteria that would make a housing development project (project) eligible for a density bonus.
- 2) Requires a project that is eligible for specified incentives and concessions and that also includes units for sale to receive two additional incentives.
- 3) Provides, notwithstanding any other law, that a granting of a waiver or reduction of development standards is not discretionary and does not require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval or environmental review, as specified.
- 4) Requires “density bonus” to also mean an increase in the FAR of the site if an applicant for a density bonus elects to use the maximum FAR of the site for residential use for purposes of calculating the maximum allowable gross residential density.
- 5) Provides that the granting of a density bonus shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 6) Deletes the requirement that residential units be on contiguous sites subject to one development application, as specified, for the purposes of calculating a density bonus. Also, deletes the requirement that the density bonus be permitted in geographic areas of the housing development other than the areas where the units of the lower income households are located.
- 7) Requires the density bonus, incentive or concession, and waiver or reduction of development standards to be on sites that are the subject of the same housing development.
- 8) Provides that the density bonus, incentive or concession, and waiver or reduction of developments standards to be permitted anywhere in the geographic areas of the same housing development, including areas outside of the areas where the housing units are located.
- 9) Provides that the granting of a concession or incentive shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 10) Requires that a project be a use by right and be ministerially approved if all the following apply:

- a) The project satisfies standards for the infill housing CEQA exemption under AB 130 (Committee on Budget), Chapter 22, Statutes of 2025.
 - b) The project is eligible for a density bonus, as specified.
 - c) The applicant agrees to, and the city or county ensures, the continued affordability of all very low and low-income rental units and very low, low, or moderate income for-sale units, as specified.
- 11) Defines moderate-income to include lower income households, very low-income households, and extremely low income households.
 - 12) Makes findings and declarations that the bill addresses a matter of statewide concern rather than a municipal affair and, therefore, applies to all cities, including charter cities.
 - 13) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service by this bill.
 - 14) Makes other technical and conforming changes.

EXISTING LAW:

- 1) Establishes DBL, which requires a local government to do all the following:
 - a) Adopt procedures and timelines for processing a DBL application.
 - b) Provide a list of all documents and information required to submit with the DBL application for it to be deemed complete.
 - c) Provide an applicant with information related to the amount of density bonus for which the applicant is eligible, and whether the applicant has provided adequate information for the local government to make a determination as to the granting of any requested incentives, concessions, waivers, or reductions in development standards, at the time of application completeness. [Government Code (GOV) § 65915]
- 2) Requires local governments to grant a density bonus when an applicant for a housing development, defined as a development containing “five or more residential units, including mixed-use developments,” seeks and agrees to construct a project that will contain at least one of the following:
 - a) 10% of the total units of a housing development for lower income households.
 - b) 5% of the total units of a housing development for very low-income households.
 - c) A senior citizen housing development or mobile home park.
 - d) 10% of the units in a common interest development (CID) for moderate-income households.

- e) 10% of the total units for transitional foster youth, veterans, or persons experiencing homelessness.
 - f) 20% of the total units for lower-income students in a student housing development.
 - g) 100% of the units of a housing development for lower-income households, except that 20% of units may be for moderate-income households. (GOV § 65915)
- 3) Requires local governments to grant a density bonus ranging from 20% to 50% for rental developments that include a minimum percentage of units affordable to very low-, low-, or moderate-income households, with the bonus increasing on a sliding scale based on the level of affordability provided. For 100% affordable rental developments, the law provides a bonus of up to 80%, along with additional incentives such as increased height limits, reduced parking requirements, and modified development standards if the project is located within ½ mile of a major transit stop or in a low vehicle miles traveled (VMT) area. In certain cases, 100% affordable projects in qualifying areas may be allowed unlimited density. (GOV § 65915)
- 4) Requires a local government to grant an additional density bonus on top of the bonus in 2) if the applicant agrees to include additional rental or for-sale units affordable to very low income households or moderate-income households. (GOV § 65915)
- 5) Provides that, upon the developer's request, the local government may not require parking standards greater than the parking ratios specified in DBL. (GOV § 65915)
- 6) Requires applicants to receive concessions and incentives depending on the percentage of affordable housing included in the proposed development. "Concessions and incentives" means the following:
- a) A reduction in site development standards, or a modification of zoning code requirements, or architectural design requirements, that exceed the minimum building standards, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required, resulting in identifiable and actual cost reductions, to provide for affordable housing costs, as specified;
 - b) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located; and
 - c) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions to provide for affordable housing costs, as specified. (GOV § 65915)
- 7) Provides that the granting of a density bonus, incentive, or concession shall not be interpreted in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. (GOV § 65915)

- 8) Establishes procedures for calculating the maximum allowable residential density, or base density, of the project, for which the bonus is to be calculated based on. (GOV § 65915)
- 9) Provides that, in no case, may a local government apply any development standard that will have the effect of physically precluding the construction of a development at the densities or with the concessions or incentives permitted by DBL. (GOV § 65915)

FISCAL EFFECT: This bill is keyed fiscal and contains a state mandated local program.

COMMENTS:

- 1) **Bill Summary.** This bill requires that a density bonus project be a use by right and be ministerially approved if the project is eligible for the infill housing CEQA exemption under AB 130 and the project ensures the continued affordability of lower income rental units and moderate and lower-income for-sale units. The bill requires "density bonus" to also mean an increase in the FAR of a site if an applicant elects to use the maximum FAR for residential use for calculating the maximum allowable gross residential density. Additionally, this bill requires a density bonus project to receive two additional incentives or concessions if the project contains units for sale.

This bill also specifies that granting a waiver of development standards is not discretionary and does not require a general plan amendment, local coastal plan amendment, zoning change, study, or discretionary approval or environmental review. It additionally specifies that granting of a density bonus is not discretionary and shall not require environmental review.

This bill is sponsored by Circulate Planning & Policy, SPUR, the Inner City Law Center, and the San Diego Regional Chamber of Commerce.

- 2) **Author's Statement.** According to the author, "Over the past five years, Bonus Law has entitled more than 140,000 homes across the state, making it the most utilized and successful housing program currently in law. However, data from HCD's Housing Element APR Data suggests that over a quarter of projects that would be eligible for Bonus Law do not use it.

"AB 2433, the Affordable Homes Bonus Law, builds on the successes while also making it more readily accessible for builders. It strengthens the promise of homeownership by incentivizing construction of homes that can be purchased by middle and low-income California families, holds cities accountable to clear timelines, and removes unnecessary barriers that prevent good projects from using Bonus Law. When a homebuilder is willing to do the right thing and build homes working families can afford, state law should support and streamline those projects. That is what the Affordable Homes Bonus Law would do."

- 3) **State Density Bonus Law.** The state's density bonus law grants certain benefits to developers who build affordable units in order to encourage greater affordable housing production. Density bonus law requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least one of the following:
 - a) 10% of the total units of a housing development for lower income households.

- b) 5% of the total units of a housing development for very low-income households.
- c) A senior citizen housing development or mobile home park.
- d) 10% of the units in a common interest development for moderate-income households.
- e) 10% of the total units for transitional foster youth, disabled veterans, or homeless persons.
- f) 20% of the total units for lower income students in a student housing development.

If a project meets one of these conditions, the city or county must allow an increase in density on a sliding scale from 20% to 50% over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan, depending on the percentage of affordable units.

- 4) **Incentives, concessions, waivers, and other benefits.** Density bonus law also grants “incentives or concessions” that can be used to modify development policies that add costs or reduce the number of units that a developer can build on a site. Incentives and concessions can vary widely based on individual projects, but examples can include reduced fees, waivers of zoning codes, or reduced parking requirements. The number of incentives or concessions a project may be eligible for is based on the percentage of affordable units contained in the project, up to a maximum of four incentives or concessions. Density bonus law also allows “waivers” of any development standards that physically prevent the developer from constructing a project at the density allowed for the project, along with the incentives or concessions. Finally, density bonus law reduces or eliminates the parking that can be required in connection with a project.

Local governments must grant the requested incentives, concessions, or waivers except under very limited circumstances:

- a) If the waiver, incentive, or concession will have a specific, adverse impact upon public health and safety or on any property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households; or
- b) If it finds that the concession or incentive does not result in identifiable and actual cost reductions to provide for affordable rents or housing costs.

Recent court cases have expanded density bonus law on the basis that “if the project were not built, it goes without saying that housing units for lower income households would not be built and the purpose of the density bonus law to encourage such development would not be achieved” (*Wollmer v. City of Berkeley* (2011) 193 Cal. App. 4th 1329). This interpretation means that “a city [or county] may not apply any development standard that would physically preclude construction of that project as designed” (*Bankers Hill 150 v. City of San Diego* (2022) 74 Cal. App. 5th 755.), if the project includes the required number of affordable units.

- 5) **Related Legislation.** AB 939 (Schultz) revises DBL to allow qualifying nonprofit corporations to purchase for-sale units developed under DBL without waiting 180 days. AB

939 is in the Senate Rules Committee.

SB 1383 (Arreguin) excludes a reduction in site development standards, a modification of zoning code or architectural design requirements, and other regulatory incentives or concessions that include or relate to a labor standard, as defined, from the definition of “incentives or concessions.” SB 1383 is in the Senate Housing Committee.

- 6) **Previous Legislation.** AB 87 (Boerner), Chapter 486, Statutes of 2025, provided that a local government is not required to grant a concession or incentive under DBL to a hotel or motel as part of a housing development project, as specified.

SB 92 (Blakespear), Chapter 484, Statutes of 2025, specified that a concession and incentive under DBL shall not result in a proposed project with a commercial FAR that is more than 2.5 times the premises’ current allowed base zone commercial FAR. Additionally, provided that DBL does not require a local government to approve, grant a concession or incentive requiring approval of, or waive or reduce development standard for transient lodging, other than a residential lodging.

- 7) **Arguments in Support.** Circulate Planning & Policy, SPUR, and Inner City Law Center, three of four sponsors of the bill, write in support, “Recent efforts to enhance Bonus Law have shown results. AB 2345 (Gonzalez, 2020) and AB 1287 (Alvarez, 2023) both made large changes to increase its use. In the past five years, Bonus Law has been used to entitle over 140,000 homes across California at no additional cost to the taxpayer. Still, Bonus Law projects can still face barriers when seeking approvals. Targeted reforms in this legislation address these issues by requiring local governments to affirmatively offer benefits to qualifying projects, affirm that incentives awarded under Bonus Law are not discretionary, and require projects to be approved by right.”
- 8) **Arguments in Opposition.** The State Building and Construction Trades Council writes in opposition, “While AB 2433 would create a by right, ministerial approval process for AB 130 projects which qualify under the Density Bonus Law, including the location, design, environmental and labor standards specified in AB 130, AB 2433 contains no labor standards and no language protecting existing labor standards from concessions, waivers, or incentives afforded under the bill for other by right, ministerial projects. AB 2433 must be amended to include labor standards for qualifying projects, and to specify that any concessions, waivers, incentives or reductions in development standards shall not include or relate to a labor standard, as that term defined in Section 1205 of the Labor Code.”
- 9) **Triple-Referral.** This bill is referred to the Housing and Community Development Committee, where it passed on a 12-0 vote on March 25, 2026, and the Natural Resources Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Circulate Planning & Policy- **SPONSOR**
 Inner City Law Center- **SPONSOR**

San Francisco Bay Area Planning and Urban Research Association (SPUR)- **SPONSOR**

San Diego Regional Chamber of Commerce- **SPONSOR**

Abundant Housing Los Angeles

Bay Area Council

California Housing Defense Fund

California Yimby

CBIA

Climate Action Campaign (*Previous Version*)

Community Housingworks (*Previous Version*)

Council of Infill Builders (*Previous Version*)

Fieldstead and Company, INC.

Habitat for Humanity California

Housing Action Coalition

RideSD (*Previous Version*)

San Diego Housing Commission

Serving Seniors (*Previous Version*)

South Pasadena Residents for Responsible Growth (*Previous Version*)

Student Homes Coalition

The Two Hundred for Homeownership

Yimby Democrats of San Diego County (*Previous Version*)

Opposition

California Cities for Local Control (*Previous Version*)

Equitable Land Use Alliance (ELUA) (*Previous Version*)

Families and Homes San Jose (*Previous Version*)

Mission Street Neighbors

Neighbors for a Better California

Neighbors for a Better San Diego

Save Lafayette

State Building & Construction Trades Council of California

Wake Up California (Unless Amended) (*Previous Version*)

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