Cal Gov Code § 65915

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Notice



This section has more than one version with varying effective dates.

§ 65915. Local government incentives or concessions where applicant seeks density bonus [Effective until January 1, 2025]

(a)

- (1) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall comply with this section. A city, county, or city and county shall adopt an ordinance that specifies how compliance with this section will be implemented. Except as otherwise provided in subdivision (s), failure to adopt an ordinance shall not relieve a city, county, or city and county from complying with this section.
- (2) A local government shall not condition the submission, review, or approval of an application pursuant to this chapter on the preparation of an additional report or study that is not otherwise required by state law, including this section. This subdivision does not prohibit a local government from requiring an applicant to provide reasonable documentation to establish eligibility for a requested density bonus, as described in subdivision (b), and parking ratios, as described in subdivision (p).
- (3) In order to provide for the expeditious processing of a density bonus application, the local government shall do all of the following:
 - (A) Adopt procedures and timelines for processing a density bonus application.
 - (B) Provide a list of all documents and information required to be submitted with the density bonus application in order for the density bonus application to be deemed complete. This list shall be consistent with this chapter.
 - (C) Notify the applicant for a density bonus whether the application is complete in a manner consistent with the timelines specified in Section 65943.

(D)

- (i) If the local government notifies the applicant that the application is deemed complete pursuant to subparagraph (C), provide the applicant with a determination as to the following matters:
 - (I) The amount of density bonus, calculated pursuant to subdivision (f), for which the applicant is eligible.

- (II) If the applicant requests a parking ratio pursuant to subdivision (p), the parking ratio for which the applicant is eligible.
- (III) If the applicant requests incentives or concessions pursuant to subdivision (d) or waivers or reductions of development standards pursuant to subdivision (e), whether the applicant has provided adequate information for the local government to make a determination as to those incentives, concessions, waivers, or reductions of development standards.
- (ii) Any determination required by this subparagraph shall be 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 based on any changes to the project during the course of development.

(b)

- (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and, if requested by the applicant and consistent with the applicable requirements of this section, incentives or concessions, as described in subdivision (d), waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p), if an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the 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 <u>Section 50079.5 of the Health and Safety Code</u>.
 - **(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 <u>Section 50105 of the Health and Safety Code</u>.
 - **(C)** A senior citizen housing development, as defined in <u>Sections 51.3 and 51.12 of the Civil Code</u>, or a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to <u>Section 798.76 or 799.5 of the Civil Code</u>. For purposes of this subparagraph, "development" includes a shared housing building development.
 - **(D)** Ten percent of the total dwelling units of a housing development are sold to persons and families of moderate income, as defined in <u>Section 50093 of the Health and Safety Code</u>, provided that all units in the development are offered to the public for purchase.
 - **(E)** Ten percent of the total units of a housing development for transitional foster youth, as defined in <u>Section 66025.9 of the Education Code</u>, disabled veterans, as defined in <u>Section 18541</u>, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (<u>42 U.S.C. Sec. 11301</u> et seq.). The units described in this subparagraph are subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

(F)

- (i) Twenty percent of the total units for lower income students in a student housing development that meets the following requirements:
 - (I) All units in the student housing development shall be used exclusively for undergraduate, graduate, or professional students enrolled full time at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges. In order to be eligible under this subclause, the developer shall, as a condition of receiving a certificate of occupancy, provide evidence to the city, county, or city and county that the developer has entered into

an operating agreement or master lease with one or more institutions of higher education for the institution or institutions to occupy all units of the student housing development with students from that institution or institutions. An operating agreement or master lease entered into pursuant to this subclause is not violated or breached if, in any subsequent year, there are insufficient students enrolled in an institution of higher education to fill all units in the student housing development.

- (II) The applicable 20-percent units shall be used for lower income students.
- (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 shall 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 <u>Section 103577 of the Health and Safety Code</u>, or institution of higher education that has knowledge of a person's homeless status may verify a person's status as homeless for purposes of this subclause.
- (ii) For purposes of calculating a density bonus granted pursuant to this subparagraph, the term "unit" as used in this section means one rental bed and its pro rata share of associated common area facilities. The units described in this subparagraph are subject to a recorded affordability restriction of 55 years.
- **(G)** One hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by <u>Section 50079.5 of the Health and Safety Code</u>, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in <u>Section 50053 of the Health and Safety Code</u>. For purposes of this subparagraph, "development" includes a shared housing building development.
- (2) For purposes of calculating the amount of the density bonus 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:
 - (I) The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in <u>Section 50053 of the Health and Safety Code</u>.
 - (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.

(2)

- **(A)** An applicant shall agree to ensure, and the city, county, or city and county shall ensure, that a for-sale unit that qualified the applicant for the award of the density bonus meets one of the following conditions:
 - (i) The unit is initially sold to and occupied by a person or family of very low, low, or moderate income, as required, and it is offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code and is subject to an equity sharing agreement.
 - (ii) If the unit is not purchased by an income-qualified person or family within 180 days after the issuance of the certificate of occupancy, the unit is purchased by a qualified nonprofit housing corporation that meets all of the following requirements pursuant to a recorded contract that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code:
 - (I) The nonprofit corporation has a determination letter from the Internal Revenue Service affirming its tax-exempt status pursuant to <u>Section 501(c)(3) of the Internal Revenue Code</u> and is not a private foundation as that term is defined in <u>Section 509 of the Internal Revenue Code</u>.
 - (II) The nonprofit corporation is based in California.
 - (III) All of the board members of the nonprofit corporation have their primary residence in California.
 - (IV) The primary activity of the nonprofit corporation is the development and preservation of affordable home ownership housing in California that incorporates within their contracts for initial purchase 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 pursuant to an equity sharing agreement or 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 <u>Section 501(c)(3) of the Internal Revenue Code</u> that has received a welfare exemption under <u>Section 214.15</u> of the Revenue and <u>Taxation Code</u> for properties intended to be sold to low-income families who participate in a special no-interest loan program.
- **(C)** The local government shall enforce an equity sharing agreement required pursuant to clause (i) or (ii) of subparagraph (A), unless it is in conflict with the requirements of another public funding source or law or may defer to the recapture provisions of the public funding source. The following apply to the equity sharing agreement:
 - (i) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate 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 <u>Section 33334.2 of the Health and Safety Code</u> that promote homeownership.
 - (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.
- (v) If the unit is purchased or developed by a qualified nonprofit housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified nonprofit housing corporation under which the qualified nonprofit housing corporation would recapture any initial subsidy and its proportionate share of appreciation if the qualified nonprofit housing corporation is required to use 100 percent of the proceeds to promote homeownership for lower income households as defined by <u>Section 50079.5</u> of the Health and Safety Code within the jurisdiction of the local government.

(3)

- **(A)** An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons 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 of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces 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).
 - (ii) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.
- **(B)** For the purposes of this paragraph, "replace" shall mean either of the following:
 - (i) If any dwelling units described in subparagraph (A) are occupied on the date of application, the proposed housing development shall provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy. If the income category of the household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as the last household in occupancy. If the income category of the last household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. 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) If all dwelling units described in subparagraph (A) have been vacated or demolished within the five-year period preceding the application, the proposed housing development shall provide at least the same number of units of equivalent size as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, it shall be rebuttably presumed that low-income and very low income renter households occupied these units in the same proportion of low-income and very low income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. 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).
- **(C)** Notwithstanding subparagraph (B), for any dwelling unit 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.
- **(D)** For purposes of this paragraph, "equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.
- **(E)** Subparagraph (A) does not apply to an applicant seeking a density bonus for a proposed housing development if the applicant's application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

(d)

- (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, 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 <u>Section</u> <u>50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).
 - **(B)** The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of <u>Section 65589.5</u>, upon public health and safety or on any real 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.

- **(C)** The concession or incentive would be contrary to state or federal law.
- (2) The applicant shall receive the following number of incentives or concessions:
 - **(A)** One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(B)** Two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(C)** Three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(D)** Five incentives or concessions for a project meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b). If the project is located within one-half mile of a major transit stop or is located in a very low vehicle travel area in a designated county, the applicant shall also receive a height increase of up to 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.
 - **(F)** Four incentives or concessions for projects that include at least 16 percent of the units for very low income households or at least 45 percent for persons and families of moderate income in a development in which the units are for sale.
- (3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. This subdivision shall not be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section that shall include legislative body approval of the means of compliance with this section.
- **(4)** The city, county, or city and county shall bear the burden of proof for the denial of a requested concession or incentive.

(e)

(1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. Subject to paragraph (3), an applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit.

This subdivision shall not be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of <u>Section 65589.5</u>, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would 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).
- (3) A housing development that receives a waiver from any maximum controls on density pursuant to clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f) shall only be eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.
- (f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable gross 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, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the 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:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35
21	38.75
22	42.5
23	46.25
24	50

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision

(b), the density bonus shall be calculated as follows:

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

(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.
- **(C)** For housing developments meeting the criteria of subparagraph (F) of paragraph (1) of subdivision (b), the density 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.
- (4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision
- (b), the density bonus shall be calculated as follows:

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

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 - **(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.

(g)

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

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

- (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 development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:
 - **(A)** The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or 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.
 - **(D)** The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of *Section 65583.2* if the design is not reviewed by the local government before the time of transfer.
 - **(E)** The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.
 - **(F)** The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.
 - **(G)** The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.
 - **(H)** A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h)

- (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a childcare facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:
 - **(A)** An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the childcare facility.
 - **(B)** An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the childcare facility.
- **(2)** The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:
 - **(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 <u>Section 4100 of the Civil Code</u>, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of <u>Section 65863.4</u>, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j)

- (1) The granting of a concession or incentive shall not require or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval. For purposes of this subdivision, "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in 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 incentive means any of the following:
 - (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with <u>Section 18901) of Division 13 of the Health and Safety Code</u>, 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 that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in <u>Section 50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).
 - **(2)** 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.
 - (3) 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 defined in <u>Section 50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).

- (I) 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) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with <u>Section 30000) of the Public Resources Code</u>). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division 20 (commencing with <u>Section 30000) of the Public Resources Code</u>.
- (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.
- **(o)** For purposes of this section, the following definitions shall apply:
 - (1) "Designated county" includes the Counties of Alameda, Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Mateo, Santa Barbara, Santa Clara, Solano, Sonoma, and Ventura, and the City and County of San Francisco.
 - (2) "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, a minimum lot area per unit requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation that is adopted by the local government or that is enacted by the local government's electorate exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the local government.
 - (3) "Located within one-half mile of a major transit stop" means that any point on a proposed development, for which an applicant seeks a density bonus, other incentives or concessions, waivers or reductions of development standards, or a vehicular parking ratio pursuant to this section, is within one-half mile of any point on the property on which a major transit stop is located, including any parking lot owned by the transit authority or other local agency operating the major transit stop.
 - (4) "Lower income student" means a student who has a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as set forth in paragraph (1) of subdivision (k) of <u>Section 69432.7 of the Education Code</u>. The eligibility of a student to occupy a unit for lower income students under this section shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education in which the student is enrolled or by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or fee waiver from the college or university, the California Student Aid Commission, or the federal government.
 - (5) "Major transit stop" has the same meaning as defined in subdivision (b) of <u>Section 21155 of the Public Resources Code</u>.
 - **(6)** "Maximum allowable residential density" or "base density" means the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, means the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Density shall be determined using dwelling units per acre. However, if the applicable zoning ordinance, specific plan, or

land use element of the general plan does not provide a dwelling-units-per-acre standard for density, then the local agency shall calculate the number of units by:

- (A) Estimating the realistic development capacity of the site based on the objective development standards applicable to the project, including, but not limited to, floor area ratio, site coverage, maximum building height and number of stories, building setbacks and stepbacks, public and private open-space requirements, minimum percentage or square footage of any nonresidential component, and parking requirements, unless not required for the base project. Parking requirements shall include considerations regarding number of spaces, location, design, type, and circulation. A developer may provide a base density study and the local agency shall accept it, provided that it includes all applicable objective development standards.
- **(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.

(7)

(A)

- (i) "Shared housing building" means a residential or mixed-use structure, with five or more shared housing units and one or more common kitchens and dining areas designed for permanent residence of more than 30 days by its tenants. The kitchens and dining areas within the shared housing building shall be able to adequately accommodate all residents. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict 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.
- **(B)** "Shared housing unit" means one or more habitable rooms, not within another dwelling unit, that includes a bathroom, sink, refrigerator, and microwave, is used for permanent residence, that meets the "minimum room area" specified in Section R304 of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations), and complies with the definition of "guestroom" in Section R202 of the California Residential Code. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.

(8)

- (A) "Total units" or "total dwelling units" means a calculation of the number of units that:
 - (i) Excludes a unit added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.
 - (ii) Includes a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county.
- **(B)** For purposes of calculating a density bonus granted pursuant to this section for a shared housing building, "unit" means one shared housing unit and its pro rata share of associated common area facilities.
- (9) "Very low vehicle travel area" means an urbanized area, as designated by the United States Census Bureau, where the existing residential development generates vehicle miles traveled per capita that is below 85 percent of either regional vehicle miles traveled per capita or city vehicle miles traveled per capita. For purposes of this paragraph, "area" may include a travel analysis zone, hexagon, or grid.

For the purposes of determining "regional vehicle miles traveled per capita" pursuant to this paragraph, a "region" is the entirety of incorporated and unincorporated areas governed by a multicounty or single-county metropolitan planning organization, or the entirety of the incorporated and unincorporated areas of an individual county that is not part of a metropolitan planning organization.

(p)

- (1) Except as provided in paragraphs (2), (3), and (4), upon the request of the developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of parking for persons with a disability and guests, of a development meeting the criteria of subdivisions (b) and (c), that exceeds the following ratios:
 - (A) Zero to one bedroom: one onsite parking space.
 - **(B)** Two to three bedrooms: one and one-half onsite parking spaces.
 - **(C)** Four and more bedrooms: two and one-half parking spaces.

(2)

- (A) Notwithstanding paragraph (1), if a development includes at least 20 percent low-income units for housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b) or at least 11 percent very low income units for housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per unit. Notwithstanding paragraph (1), if a development includes at least 40 percent moderate-income units for housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, as defined in subdivision (b) of <u>Section 21155 of the Public Resources Code</u>, and the residents of the development have unobstructed access to the major transit stop from the development then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per bedroom.
- **(B)** For purposes of this subdivision, "unobstructed access to the major transit stop" means a resident is able to access the major transit stop without encountering natural or constructed impediments. For purposes of this subparagraph, "natural or constructed impediments" includes, but is not limited to, freeways, rivers, mountains, and bodies of water, but does not include residential structures, shopping centers, parking lots, or rails used 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 <u>Sections 51.2 and 51.3 of the Civil Code</u> 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 per day.
 - (C) The development is either a special needs housing development, as defined in <u>Section 51312</u> of the <u>Health and Safety Code</u>, or a supportive housing development, as defined in <u>Section 50675.14 of the Health and Safety Code</u>. A development that is a special needs housing development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

- (4) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide onsite parking through tandem parking or uncovered parking, but not through onstreet 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 city and county from reducing or eliminating a parking requirement for development projects of any type in any location.
- (7) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.
- **(8)** A request 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).
- (q) Each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. The Legislature finds and declares that this provision is declaratory of existing law.
- **(r)** This chapter shall be interpreted liberally in favor of producing the maximum number of total housing units.
- (s) Notwithstanding any other law, if a city, including a charter city, county, or city and county has adopted an ordinance or a housing program, or both an ordinance and a housing program, that incentivizes the development of affordable housing that allows for density bonuses that exceed the density bonuses required by the version of this section effective through December 31, 2020, that city, county, or city and county is not required to amend or otherwise update its ordinance or corresponding affordable housing incentive program to comply with the amendments made to this section by the act adding this subdivision, and is exempt from complying with the incentive and concession calculation amendments made to this section by the act adding this subdivision as set forth in subdivision (d), particularly subparagraphs (B) and (C) of paragraph (2) of that subdivision, and the amendments made 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).

(u)

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

- § 65915. Local government incentives or concessions where applicant seeks density bonus [Effective until January 1, 2025]
 - (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 a developer are balanced with the receipt of a public benefit in the form of adequate levels of affordable housing. The Legislature further intends that these modifications will ensure that the Density Bonus Law creates incentives for the construction of more housing across all areas of the state.

(v)

- (1) Provided that the resulting housing development would not restrict more than 50 percent of the total units to moderate-income, lower income, or very low income households, a city, county, or city and county shall grant an additional density bonus calculated pursuant to paragraph (2) when an applicant proposes to construct a housing development that conforms to the requirements of paragraph (1) of subdivision (b), agrees to include additional rental or for-sale units affordable to very low income households or moderate income households, and meets any of the following requirements:
 - **(A)** The housing development conforms to the requirements of subparagraph (A) of paragraph (1) of subdivision (b) and provides 24 percent of the total units to lower income households.
 - **(B)** The housing development conforms to the requirements of subparagraph (B) of paragraph (1) of subdivision (b) and provides 15 percent of the total units to very low income 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 households.
- (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:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	23.75
7	27.5
8	31.25
9	35
10	38.75

5	
6 22.5	
7 25	
8 27.5	
9	
10 32.5	
11 35	
12 38.75	
13 42.5	
14 46.25	
15 50	

- (3) The increase required by paragraphs (1) and (2) shall be in addition to any increase in density granted by subdivision (b).
- (4) The additional density bonus required under this subdivision shall be calculated using the number of units excluding any density bonus awarded by this section.

History

Added Stats 1979 ch 1207 § 10, effective October 2, 1979. Amended Stats 1982 ch 1263 § 2, effective September 22, 1982; Stats 1983 ch 634 § 1; Stats 1984 ch 1333 § 2; Stats 1989 ch 842 § 3; Stats 1990 ch 31 § 3 (AB 1259), effective March 26, 1990; Stats 1991 ch 1091 § 64 (AB 1487); Stats 1998 ch 689 § 6 (SB 1362); Stats 1999 ch 968 § 7 (SB 948); Stats 2000 ch 556 § 1 (AB 2755); Stats 2002 ch 1062 § 3 (AB 1866); Stats 2003 ch 430 § 1 (AB 305); Stats 2004 ch 724 § 5 (AB 2348), ch 928 § 1 (SB 1818); Stats 2005 ch 496 § 2 (SB 435), effective January 1, 2006; Stats 2008 ch 454 § 1 (AB 2280), effective January 1, 2009; Stats 2012 ch 181 § 53 (AB 806), effective January 1, 2013, operative January 1, 2014; Stats 2013 ch 76 § 102 (AB 383), effective January 1, 2014; Stats 2014 ch 682 § 1 (AB 2222), effective January 1, 2015; Stats 2015 ch 699 § 2 (AB 744), effective January 1, 2016; Stats 2016 ch 756 § 1 (AB 2442), effective January 1, 2017; Stats 2016 ch 758 § 1 (AB 2501), effective January 1, 2017; Stats 2016 ch 761 § 1.7 (AB 2556), effective January 1, 2017; Stats 2018 ch 904 § 2 (AB 2797), effective January 1, 2019; Stats 2018 ch 921 § 1 (AB 2753), effective January 1, 2019; Stats 2018 ch 937 § 1.3 (SB 1227), effective January 1, 2019 (ch 937 prevails); Stats 2019 ch 497 § 148 (AB 991), effective January 1, 2020; Stats 2019 ch 666 § 1 (AB 1763), effective January 1, 2020 (ch 666 prevails); Stats 2020 ch 197 § 2 (AB 2345), effective January 1, 2021; Stats 2021 ch 340 § 2 (SB 290), effective January 1, 2022; Stats 2021 ch 365 § 1.5 (SB 728), effective January 1, 2022 (ch 365 prevails); Stats 2022 ch 634 § 1 (AB 682), effective January 1, 2023; Stats 2022 ch 634 § 1.5 (AB 682), effective January 1, 2023; Stats 2022 ch 653 § 1 (AB 2334), effective January 1, 2023; Stats 2022 ch 653 § 1.5 (AB 2334), effective January 1, 2023 (ch 653 prevails); Stats 2023 ch 738 § 2 (AB 323), effective January 1, 2024; Stats 2023 ch 755 § 1 (AB 1287), effective January 1, 2024; Stats 2023 ch 784 § 1.3 (SB 713), effective January 1, 2024 (ch 784 prevails); Stats 2024 ch 80 § 77 (SB 1525), effective January 1, 2025; Stats 2024 ch 278 § 1 (AB 2694), effective January 1, 2025; Stats 2024 ch 432 § 1.5 (AB 3166), effective January 1, 2025) (ch 432 prevails).

Annotations

Notes

	Editor's Notes—
	Amendments:
	Note—
Edi	tor's Notes—

Assembly Bill 805 was enacted as Stats 2012 ch 180 and becomes operative January 1, 2014.

Amendments:

1982 Amendment:

(1) Amended the first paragraph by (a) adding "or 10 percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code,"; and (b) substituting "either (1) grant a density bonus or (2) provide other incentives of equivalent financial value" for "enter into an agreement with the developer to either grant a density bonus or provide not less than two other bonus incentives for the project"; (2) added the second paragraph; (3) amended the third paragraph by (a) adding "maximum", and "and land use element of the general plan" in the first sentence; (b) substituting "number of housing units which is equal to 10 or 25 percent of the total" for "otherwise allowable density" in the second sentence; and (c) deleting the former fourth sentence which read: "Other bonus incentives which a city, county or city and county may agree to provide under this section include the following: (a) Exemption of the development from the requirements of Section 66477 and any local ordinance adopted pursuant thereto. (b) Construction of public improvements appurtenant to the proposed housing development, which may include, but shall not be limited to, streets, sewers and sidewalks. (c) Utilization of federal or state grant moneys or local revenues to provide the land on which the housing development will be constructed at a reduced cost. (d) Exemption of the development from any provision of local ordinances which may cause an indirect increase in the cost of the housing units to be developed."; and (4) substituted the fourth paragraph for the former fourth paragraph which read: "Nothing in this section shall preclude a city, county, or city and county from taking any additional actions which will aid housing developers to construct housing developments with 25 percent or more of the total units of a housing development for persons and families of low or moderate income. The determination of the means by which a city, county, or city and county will comply with this chapter shall be in the sole discretion of the city, county, or city and county; provided, that no developer shall be required to enter into an unacceptable agreement as a prerequisite to approval of a housing development."

1983 Amendment:

Added subdivision designations.

1984 Amendment:

Amended subd (a) by adding (1) "(1)" and "(2)" before "25 percent" and before "10 percent"; and (2) "(3) 50 percent of the total dwelling units of a housing development for qualifying residents, as defined in Section 51.2 of the Civil Code," before "a city".

1989 Amendment:

(1) Added subd (a); (2) redesignated former subd (a) to be subd (b); (3) substituted subd (b) for the former subdivision (b) which read: "(b) A developer may submit to a city, county, or city and county a preliminary proposal for the development of housing pursuant to this section prior to the submittal of any formal requests for general plan amendments, zoning amendments, or subdivision map approvals. The city, county, or city and county shall, within 90 days of receipt of a written proposal, notify the housing developer in writing of the manner in which it will comply with this section. The city, county, or city and county shall establish procedures for carrying out this section, which shall include legislative body approval of the means of compliance with this section."; (4) added subd (c); (5) redesignated former subd (c) to be subd (d); (6) amended subd (d) by (a) substituting "procedures under" for "manner in" in the second sentence; and (b) adding the fourth and fifth sentences; (7) added subd (e); (8) redesignated former subds (c) and (d) to be subds (f) and (h); (9) added "as of the date of application by the developer to the city, county, or city and county" at the end of the first sentence of subd (f); (10) added subd (g); and (11) amended subd (h) by (a) substituting "20 percent" for "25 percent"; (b) substituting "lower income households" for "persons and families of low or moderate income"; (c) substituting "very low income" for "lower-income"; and (d) adding "and at least one additional concession or incentive identified in Section 65913.4".

1990 Amendment:

(1) Amended subd (b) by (a) substituting "subdivision (h)" for "Section 65913.4"; and (b) adding "to provide for affordable housing costs as defined in Section 50052.5 of the Health and Safety Code or"; (2) amended subd (c) by (a) adding "or a longer period of time if required by the construction or mortgage financing assistance program,

mortgage insurance program, or rental subsidy program"; at the end of the first sentence; (b) substituting "lower income households, as defined in Section 50079.5 of the Health and Safety Code" for "persons and families with incomes at or below 80 percent of area median income" in the second sentence; (c) substituting "very low income households, as defined in Section 50105 of the Health and Safety Code" for "persons and families with incomes at or below 50 percent of area median income" in the third sentence; and (d) adding "additional" after "least one" in the last sentence; (3) added subd (h); and (4) redesignated former subd (h) to be subd (i).

1991 Amendment:

Routine code maintenance.

1998 Amendment:

Substituted (1) "Section 51.3" for "Section 51.2" before "of the Civil Code" in subd (b); and (2) "California Building Standards Commission" in subd (h)(1).

1999 Amendment:

Amended subd (f) by adding (1) ", unless a lesser percentage is elected by the developer," in the first sentence; and (2) the second sentence.

2000 Amendment:

In addition to technical changes, added the second sentence in subd (g).

2002 Amendment:

Substituted the section for the former section which read: "(a) When a developer of housing proposes a housing development within the jurisdiction of the local government, the city, county, or city and county shall provide the developer incentives for the production of lower income housing units within the development if the developer meets the requirements set forth in subdivisions (b) and (c). The city, county, or city and county shall adopt an ordinance that shall specify the method of providing developer incentives. (b) When a developer of housing agrees or proposes to construct at least (1) 20 percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (2) 10 percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code, or (3) 50 percent of the total dwelling units of a housing development for qualifying residents, as defined in Section 51.3 of the Civil Code, a city, county, or city and county shall either (1) grant a density bonus and at least one of the concessions or incentives identified in subdivision (h) unless the city, county, or city and county makes a written finding that the additional concession or incentive is not required in order 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 to be set as specified in subdivision (c), or (2) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. (c) A developer shall agree to and the city, county, or city and county shall ensure continued affordability of all lower income density bonus units for 30 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Those units targeted for lower income households, as defined in Section 50079.5 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 60 percent of area median income. Those units targeted for very low income households, as defined in Section 50105 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 50 percent of area median income. If a city, county, or city and county does not grant at least one additional concession or incentive pursuant to paragraph (1) of subdivision (b), the developer shall agree to and the city, county, or city and county shall ensure continued affordability for 10 years of all lower income housing units receiving a density bonus. (d) A developer may submit to a city, county, or city and county a preliminary proposal for the development of housing pursuant to this section prior to the submittal of any formal requests for general plan amendments, zoning amendments, or subdivision map approvals. The city, county, or city and county shall, within 90 days of receipt of a written proposal, notify the housing developer in writing of the

procedures under which it will comply with this section. The city, county, or city and county shall establish procedures for carrying out this section, which shall include legislative body approval of the means of compliance with this section. The city, county, or city and county shall also establish procedures for waiving or modifying development and zoning standards that would otherwise inhibit the utilization of the density bonus on specific sites. These procedures shall include, but not be limited to, such items as minimum lot size, side yard setbacks, and placement of public works improvements. (e) The housing developer shall show that the waiver or modification is necessary to make the housing units economically feasible. (f) For the purposes of this chapter, 'density bonus' means a density increase of at least 25 percent, unless a lesser percentage is elected by the developer, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the developer to the city, county, or city and county. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal to 10 or 20 percent of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units. (g) 'Housing development,' as used in this section, means one or more groups of projects for residential units constructed in the planned development of a city, county, or city and county. For the purposes of this section, 'housing development' also includes either (1) a project to substantially rehabilitate and convert an existing commercial building to residential use, or (2) the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located. (h) For the purposes of this chapter, concession or incentive means any of the following: (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, 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. (2) 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. (3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable cost reductions. This subdivision 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. (i) If a developer agrees to construct both 20 percent of the total units for lower income households and 10 percent of the total units for very low income households, the developer is entitled to only one density bonus and at least one additional concession or incentive identified in Section 65913.4 under this section although the city, city and county, or county may, at its discretion, grant more than one density bonus."

2003 Amendment:

(1) Amended subd (a) by adding (a) "and child care facilities as prescribed in this chapter" at the end of the first sentence; and (b) the second sentence; (2) substituted "subdivision (k)" for "subdivision (j)" in subd (b); (3) added subd (h); (4) redesignated former subds (h)–(n) to be subds (i)–(o); and (5) substituted "under this section although the city, county, or city and county may" for "under this section although the city, city and county, or county may" in subd (1).

2004 Amendment:

Added subds (a)–(p). (As amended Stats 2004 ch 928, compared to the section as it read prior to 2004. This section was also amended by an earlier chapter, ch 724. See Gov C § 9605.)

2005 Amendment:

(1) Designated former subd (b) to be subd (b)(1); (2) redesignated former subds (b)(1)–(b)(4) to be subds (b)(1)(A)– (b)(1)(D); (3) substituted "one density bonus, the amount of which shall be as specified in subdivision (g), and incentives or concessions, as described in subdivision (d), when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain" for "a density bonus and incentives or concessions described in subdivision (d) when the applicant for the housing development seeks and agrees to construct" in subd (b)(1); (4) added ", or 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." to the end of subd (b)(1)(C); (5) amended subd (b)(1)(D) by (a) substituting "common interest development as defined in Section 1351 of the Civil Code" for "condominium project as defined in subdivision (f) of, or in a planned development as defined in subdivision (k) of, Section 1351 of the Civil Code,"; (b) substituting the comma for the period after "Health and Safety Code; and (c) adding "provided that all units in the development are offered to the public for purchase." to the end of the subd; (6) added subd (b)(2); (7) amended subd (c)(1) by (a) substituting "low-and very low income units that qualified the applicant for the award of the density bonus" for "lower income density bonus units"; and (b) substituting the last two sentences for the former last two sentences which read: "Those units targeted for lower income households, as defined in Section 50079.5 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 60 percent of area median income. Those units targeted for very low income households, as defined in Section 50105 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 50 percent of area median income."; (8) added subd designations (c)(2)(A)-(c)(2)(C); (9) substituted current subd (c)(2)(A)-(c)(2)(C) for former subd (c)(2) which read: "(2) An applicant shall agree to, and the city, county, or city and county shall ensure that, the initial occupant of the moderate-income units that are directly related to the receipt of the density bonus in the condominium project as defined in subdivision (f) of, or in the planned unit development as defined in subdivision (k) of, Section 1351 of the Civil Code, are persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code. Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The local government shall recapture its proportionate share of appreciation, which shall then be used within three years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote homeownership. For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the percentage by which the initial sale price to the moderate-income household was less than the fair market value of the home at the time of initial sale."; (10) added "for a density bonus pursuant to subdivision (b)" after "applicant" near the beginning of subd (d)(1); (11) amended subd (d)(2)(A)-(d)(2)(C) by substituting "common interest development" for "condominium or planned development" the three times it appears; (12) substituted subd (g) for former subd (g) which read: "(g)(1) For the purposes of this chapter, except as provided in paragraph (2), 'density bonus' means a density increase of at least 20 percent, unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use to the city, county, or city and county. The amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b). For each 1 percent increase above 10 percent in the percentage of units affordable to lower income households, the density bonus shall be increased by 1.5 percent up to a maximum of 35 percent. For each 1 percent increase above 5 percent in the percentage of units affordable to very low income households, the density bonus shall be increased by 2.5 percent up to a maximum of 35 percent. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units that is equal to 5 or 10 percent of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units. (2) For the purposes of this chapter, if a development does not meet the requirements of paragraph (1), (2), or (3) of subdivision (b), but the applicant agrees or proposes to construct a condominium project as defined in subdivision (f) of, or a planned development as defined in subdivision (k) of, Section 1351 of the Civil Code, in which at least 10 percent of the total dwelling units are reserved for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, a "density bonus" of at least5 percent shall be granted, unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the applicant

to the city, county, or city and county. For each 1 percent increase above 10 percent of the percentage of units affordable to moderate-income households, the density bonus shall be increased by 1 percent up to a maximum of 35 percent. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units that is equal to 10 percent of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units."; (13) designated former subd (h) to be subds (h)(1)-(h)(2); (14) amended subd (h)(1) by (a) substituting "15-percent" for "15 percent"; (b) substituting "development, as follows:" for "development." after "plan for the entire"; and (c) adding the table at the end of subd (h)(1); (15) redesignated former subds (h)(1)-(h)(6) to be subds (h)(2)(A)-(h)(2)(F); and (16) substituted "common interest development" for "a planned unit development or condominium project" in the second sentence of subd (j).

2008 Amendment:

(1) Amended subd (a) by adding (a) "with" after "provide the applicant" in the first sentence; and (b) the last sentence; (2) substituted "subdivision (f)" for "subdivision (g)" in the introductory clause of subd (b)(1); (3) added the comma after "housing development" in subd (b)(1)(C); (4) added subds (b)(3), (d)(1)(C), (g)(2)(C), and (g)(2)(H); (5) substituted "low- and very low income" for "low-and very low income" in the first sentence of subd (c)(1); (6) substituted "equity sharing" for "equity-sharing" in the second and last sentences of the introductory paragraph of subd (c)(2); (7) amended the last sentence of subd (c)(2)(A) by (a) adding ", as defined in subparagraph (B),"; (b) substituting "as defined in subparagraph (C), which amount shall be used within five years" for "which shall then be used within three years"; and (c) substituting "home ownership" for "homeownership" at the end; (8) added "local government's" after "the ratio of the" in subd (c)(2)(C); (9) substituted "any of the following" for "either of the following" at the end of the introductory paragraph of subd (d)(1); (10) deleted the former last two sentences of subd (d)(3) which read: "The city, county, or city and county shall also establish procedures for waiving or modifying development and zoning standards that would otherwise inhibit the utilization of the density bonus on specific sites. These procedures shall include, but not be limited to, such items as minimum lot size, side vard setbacks, and placement of public works improvements." (11) designated former subd (e) to be subd (e)(1); (12) amended subd (e)(1) by (a) substituting "effect of physically precluding" for "effect of precluding" in the first sentence; (b) adding "that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section," in the second sentence; and (c) adding ", or to grant any waiver or reduction that would be contrary to state or federal law" in the last sentence; (13) added subd (e)(2); (14) deleted former subd (f) which read: "(f) The applicant shall show that the waiver or modification is necessary to make the housing units economically feasible."; (15) redesignated former subds (g)-(I) to be subds (f)-(k); (16) deleted "under the applicable zoning ordinance and land use element of the general plan" after "allowable residential density" in the first sentence of subd (f); (17) added "of the number of senior housing units" in subd (f)(3); (18) deleted the former last two sentences of subd (f)(5) which read: "As used in subdivision (b), 'total units' or 'total dwelling units' does not include units permitted by a density bonus awarded pursuant to this section or any local law granting a greater density bonus. The density bonus provided by this section shall apply to housing developments consisting of five or more dwelling units."; (19) amended the introductory clause of subd (q)(1) by (a) substituting "in accordance with this subdivision" for "as provided for in this subdivision"; and (b) deleting "under the applicable zoning ordinance and land use element of the general plan" after "allowable residential density"; (20) substituted "an increase pursuant to both this subdivision" for "both the increase required pursuant to this subdivision" in the first sentence of the introductory paragraph of subd (g)(2); (21) redesignated former subds (g)(2)(C)-(g)(2)(F) to be subds (g)(2)(D)-(g)(2)(G); (22) amended subd (g)(2)(D) by (a)deleting the former first and second sentences which read: "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 for development as affordable housing, and is or will be served by adequate public facilities and infrastructure. The land shall have appropriate zoning and development standards to make the development of the affordable units feasible."; (b) substituting "The transferred" for "No later than the date of approval of the final subdivision map, parcel map, or of the residential development, transferred"; and (c) adding "not later than the date of approval of the final subdivision map, parcel map, or residential development application,"; (23) substituted "the

transfer" for "dedication" at the end of subd (g)(2)(E); (24) amended subd (i) by (a) substituting "a development project for five or more residential units" for "one or more groups of projects for residential units constructed in the planned development of a city, county, or city and county" in the first sentence; and (b) adding "shall be on contiguous sites that are the subject of one development application, but" in the third sentence; (25) substituted "Subdivision (k)" for "This subdivision" in subd (I); (26) added "If permitted by local ordinance," in subd (n); (27) amended subd (0)(1) by (a) substituting "a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies" for "site or construction conditions that apply"; and (b) deleting "amendment" after "specific plan, charter"; (28) amended subd (0)(2) by adding (a) "and land use element of the general plan" both times it appears in the first sentence; and (b) the last sentence; (29) substituted "bedroom" for "bedrooms" in subd (p)(1)(A); and (30) amended the last sentence of subd (p)(3) by (a) deleting "additional" after "applicant may request"; and (b) substituting "subdivision pursuant to subdivision (d)" for "section, subject to subdivision (d)".

2012 Amendment:

(1) Substituted "Section 4100" for "Section 1351" in subd (b)(1)(D), in the first sentence of the introductory paragraph of subd (c)(2) and in the second sentence of subd (i); and (2) deleted "a" before "city and county" in subd (h)(3).

2013 Amendment:

(1) Substituted "mixed-use" for "mixed use" in subd (k)(2); and (2) amended subd (m) by (a) substituting "This section shall not" for "Nothing in this section shall"; and (b) adding "of 1976".

2014 Amendment:

(1) Amended the first sentence of subd (c)(1) by substituting (a) "very low and low-income rental" for "low- and very low income"; and (b) "55 years" for "30 years"; (2) deleted the former last sentence of subd (c)(1) which read: "Owner-occupied units shall be available at an affordable housing cost as defined in Section 50052.5 of the Health and Safety Code."; (3) amended the first sentence of the introductory paragraph of subd (c)(2) by (a) substituting "all for-sale units that qualified the applicant for the award" for "the moderate-income units that are directly related to the receipt"; (b) deleting "in the common interest development, as defined in Section 4100 of the Civil Code," after "density bonus"; and (c) substituting "very low, low, or moderate income, as required" for "moderate income, as defined in Section 50093 of the Health and Safety Code"; (4) added subds (c)(3) and (j)(2); and (5) added subdivision designation (j)(1).

2015 Amendment:

(1) Added "a" before "mobilehome park" in subd (b)(1)(C); (2) added the commas around "as defined in Section 4100 of the Civil Code" in subd (b)(1)(D); (3) substituted "an applicant" for "the applicant" in subd (b)(2); (4) added "the" after "shall ensure," in the first sentence of subd (c)(1); (5) substituted "his or her" for "their" in subd (c)(3)(C); (6) substituted "does not" for "shall not be construed to" in subd (m); (7) amended the introductory clause of subd (p)(1) by (a) adding "Except as provided in paragraphs (2) and (3),"; (b) substituting "a city" for "no city"; and (c) substituting "subdivisions (b) and (c)" for "subdivision (b)"; (8) added subds (p)(2), (p)(3), (p)(6), and (p)(7); (9) redesignated former subds (p)(2) and (p)(3) to be subds (p)(4) and (p)(5); (10) amended the second sentence of subd (p)(4) by substituting (a) "on-site parking" for "onsite parking"; and (b) "on-street" for "onstreet"; and (11) substituted "subdivisions (b) and (c)," for "subdivision (b)" in the first sentence of subd (p)(5).

2016 Amendment:

(1) Added subdivision designations (a)(1) and (f)(3)(A); (2) amended subd (a)(1) by substituting (a) "comply with this section" for "provide the applicant with incentives or concessions for the production of housing units and child care facilities as prescribed in this section" in the first sentence; and (b) "A city, county, or city and county" for "All cities, counties, or cities and counties" in the second sentence; (3) added subds (a)(2), (a)(3), (b)(1)(E), (c)(3)(C),

(c)(3)(D), (d)(4), (f)(3)(B), (p)(8), (q), and (r); (4) amended the introductory clause of subd (b)(1) by adding (a) ", if requested by the applicant and consistent with the applicable requirements of this section,"; and (b) "waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p),"; (5) substituted "subparagraph (A), (B), (C), (D), or (E)" for "subparagraph (A), (B), (C), or (D)" in subd (b)(2); (6) deleted "or type, or both," after "equivalent size" in the first sentence of subds (c)(3)(B)(i) and (c)(3)(B)(ii); (7) amended subd (c)(3)(B)(i) by (a) adding the second sentence; and (b) substituting the third sentence for the former third sentence which read: "For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size or type, or both, to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category in the same proportion of affordability as the occupied units."; (8) substituted the second sentence of subd (c)(3)(B)(ii) for the former second sentence of subd (c)(3)(B)(ii) which read: "If the incomes of the persons and families in occupancy at the highpoint is not known, then one-half of the required units shall be made available at affordable rent or affordable housing cost to, and occupied by, very low income persons and families and one-half of the required units shall be made available for rent at affordable housing costs to, and occupied by, low-income persons and families."; (9) redesignated former subd (c)(3)(C) to be subd (c)(3)(E); (10) substituted "Subparagraph (A)" for "Paragraph (3) of subdivision (c)" in subd (c)(3)(E); (11) substituted "does not result in identifiable and actual cost reductions, consistent with subdivision (k)," for "is not required in order" in subd (d)(1)(A); (12) amended subd (d)(1)(B) by (a) adding the comma after "specific" both times it appears; and (b) substituting "low-income" for "low-"; (13) amended the first sentence of the first paragraph of subd (f) by (a) adding "gross"; (b) substituting ", or, if elected by the applicant," for ". The applicant may elect to accept"; and (c) substituting "increase, including, but not limited to, no increase in density" for "bonus"; (14) substituted "increase" for "bonus" in the second sentence of the first paragraph of subd (f); (15) added "require, or" in the second sentence of subd (f)(5); (16) added ", including mixed-use developments" in the first sentence of subd (i); (17) amended the first sentence of subd (j)(1) by adding (a) "require or"; and (b) "study,"; (18) added the second sentence of subd (j)(1); (19) added "require or" in subd (j)(2); (20) amended subds (k)(1) and (k)(3) by (a) deleting ", financially sufficient," after "results in identifiable"; and (b) adding ", 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 to be set as specified in subdivision (c)"; (21) added the comma after "general plan, or" in the first sentence of subd (o)(2); (22) substituted "low-income" for "low-" in the first sentence of subds (p)(2) and (p)(7); and (23) amended the second sentence of subd (p)(4) by substituting (a) "onsite" for "on-site"; and (b) "onstreet" for "on-street". (As amended Stats 2016 ch 761, compared to the section as it read prior to 2016. This section was also amended by two earlier chapters, chs 756, 758. See Gov C § 9605.)

2018 Amendment (ch 937):

Added "the timelines specified in" in (a)(3)(C); added (a)(3)(D) and (b)(1)(F); substituted "(E), or (F)" for "or (E)" in (b)(2); substituted "'total units,' 'total dwelling units,' or 'total rental beds' for "'total units' or 'total dwelling units'" in (b)(3); added (f)(3)(C); substituted "before" for "prior to" in (g)(2)(D); added the second sentence of (m); substituted "If" for "Where" in the last sentence of (o)(2); and deleted the comma following "and (3)" in (p)(1).

2019 Amendment (ch 666):

Substituted "and county" for "or county" in the second sentence of (b)(1)(F)(i)(I); added (b)(1)(G); substituted "(F), or (G) of paragraph (1)" for "or (F) of paragraph (1)" in (b)(2); added designation (c)(1)(A); deleted the former second sentence of (c)(1)(A) which read: "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."; added (c)(1)(B); substituted "the applicant's" for "his or her" in (c)(3)(E); added (d)(2)(D); deleted the comma following "section" in the last sentence of (d)(3); added "Subject to paragraph (3)," in the second sentence of (e)(1); added (e)(3); added (f)(3)(D); substituted "childcare" for "child care" wherever it appears in (h); substituted "daycare" for "day care" three times in (h)(4); substituted "paragraphs (2), (3), and (4)," for "paragraphs (2) and (3)" in the introductory language of (p)(1); redesignated and rewrote former (p)(3)(C) as (p)(4) which read: "If the development is a special needs housing development, as defined in Section 51312 of the Health and Safety Code, the ratio shall not exceed 0.3 spaces per unit. The

development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day."; and redesignated former (p)(4)-(p)(8) as (p)(5)-(p)(9).

2020 Amendment (ch 197):

Added "Except as otherwise provided in subdivision (s)," in the last sentence of (a)(1); substituted "subdivision (e)" for "subdivision (d)" in the second sentence of (b)(1)(F)(IV); in (b)(1)(G), substituted "all units in the development, including total units and density bonus units, but" for "the total units," and "units in the development, including total units and density bonus units," for "total units in the development"; substituted "17 percent" for "20 percent" in (d)(2)(B); substituted "24 percent" for "30 percent" in (d)(2)(C); deleted "as defined in subdivision (b) of Section 21155 of the Public Resources Code," following "transit stop," in the second sentence of (d)(2)(D); in (e)(3), substituted "only be eligible for" for "not be eligible for, and shall not receive,", "as provided" for "pursuant to this subdivision, other than as expressly provided", and added ", unless the city, county, or city and county agrees to additional waivers or reductions of development standards"; added "Percentage Low-Income Units Percentage Density Bonus 16 2921 38.7522 42.523 46.2524 50" in the table in (f)(1); added "Percentage Very Low Income Units Percentage Density Bonus 12 38.7513 42.514 46.2515 50" in the table in (f)(2); deleted "as defined in subdivision (b) of Section 21155 of the Public Resources Code," following "transit stop," in (f)(3)(D)(ii); added "Percentage Moderate-Income Units Percentage Density Bonus 41 38.7542 42.543 46.2544 50" in the table in (f)(4); added (o)(3) and (o)(3); redesignated former (o)(2) as (o)(4); substituted "parking for persons with a disability and guests" for "handicapped and guest parking" in the introductory language of (p)(1); substituted "one and onehalf onsite" for "two onsite" in (p)(1)(B); redesignated and rewrote former (p)(2) as (p)(2)(A) which read: "Notwithstanding paragraph (1), if a development includes the maximum percentage of low-income or very low income units provided for in paragraphs (1) and (2) of subdivision (f) and is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds 0.5 spaces per bedroom. For purposes of this subdivision, a development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments."; added (p)(2)(B); substituted "vehicular parking standards if the development meets either of the following criteria" for "a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds the following ratios" in the introductory language of (p)(3); rewrote former (p)(3)(A) and (p)(3)(B) which read: "(A) If the development is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and there is unobstructed access to the major transit stop from the development, the ratio shall not exceed 0.5 spaces per unit. (B) If the development is a for-rent housing development for individuals who are 62 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code, the ratio shall not exceed 0.5 spaces per unit. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day."; and added (s).

2021 Amendment (ch 365):

Substituted "if an applicant" for "when an applicant" in the introductory language of (b)(1); added "rental or sale to" in (b)(1)(A) and (b)(1)(B); substituted "of a housing development are sold to" for "in a common interest development, as defined in Section 4100 of the Civil Code, for" (b)(1)(D); deleted former second sentence of (b)(1)(F)(i)(II) which read: "For purposes of this clause, 'lower income students' means students who have a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as set forth in paragraph (1) of subdivision (k) of Section 69432.7 of the Education Code. The eligibility of a student under this clause shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education that the student is enrolled in, as described in subclause (I), or by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or fee waiver, from the college or university, the California Student Aid Commission, or the federal government shall be sufficient to satisfy this subclause."; deleted former (b)(3) which read: "For the purposes of this section, 'total units,' 'total dwelling units,' or 'total rental beds' does not include units added by a density bonus awarded pursuant to this section or any local law granting a

greater density bonus."; added (c)(2); added designation (c)(2)(C); added "required pursuant to clause (i) or (ii) of subparagraph (A)" in the first sentence of the introductory paragraph of (c)(2)(C); added designation (c)(2)(C)(i); redesignated former (c)(2)(A)–(c)(2)(B) as (c)(2)(C)(ii)–(c)(2)(C)(iv); added (c)(2)(C)(v); deleted "the physical environment or" following "safety or" in (d)(1)(B); substituted "in which the units are for sale" for "common interest" in (d)(2)(A)–(d)(2)(C); substituted "a project" for "projects" in the first sentence of (d)(2)(D); added (d)(2)(E); in (d)(3), substituted "This subdivision shall not be" for "Nothing in this subdivision shall be" in the third and fourth sentences and substituted "or safety" for ", safety, or the physical environment" in the fourth and fifth sentences and substituted "or safety" for ", safety, or the physical environment" in the fourth and fifth sentences and substituted "or safety" for ", safety, or the physical environment" in the fourth sentence; added (o)(3); redesignated former (o)(3) and (o)(4) as (o)(4) and (o)(5); added (o)(6); added the second sentence of (p)(2)(A); in (p)(2)(B), deleted "a development shall have" preceding "unobstructed" and substituted "the major transit stop means" for "a major transit stop if"; substituted "(B) and (C)" for "(C) and (D)" in (s); and added (t).

2022 Amendment (ch 653):

Rewrote the section.

2023 Amendment (ch 784):

Rewrote the section.

2024 Amendment (ch 432):

Rewrote the section.

Note-

Stats 2024 ch 274 provides:

- SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of <u>Section 16 of Article IV of the California Constitution</u> because of the unique amount of vacant commercial space within the City and County of San Francisco. The Legislature additionally finds and declares all of the following:
- (a) The commercial vacancy rate in the City and County of San Francisco is acute among downtown areas in California and the nation.
- (b) From March 2020 to June 2021, office vacancy rates in the City and County of San Francisco increased from 5 percent to 20 percent as offices adopted hybrid and fully remote reporting schedules.
- (c) According to data from the City and County of San Francisco, as of April 15, 2024, 32 percent of the City and County of San Francisco's office space is vacant.
- (d) The City and County of San Francisco's vacancy rate is higher than other major metropolitan areas such as the cities of New York City, Los Angeles, Austin, and Seattle.
- (e) This bill addresses a crisis in commercial vacancy in downtown San Francisco that is unmatched by other major metropolitan areas.
- (f) Therefore, while public funds for housing development should prioritize the funding of affordable housing, on a limited and temporary basis, it is appropriate to authorize the City and County of San Francisco to provide funding to market rate developments through the use of tax increment financing tools to help abate the crisis.

Stats 2015 ch 699 provides:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Having a healthy housing market that provides an adequate supply of homes that are affordable to Californians at all income levels is critical to the economic prosperity and quality of life in the state.
- (b) There exists a severe shortage of affordable housing, especially for persons and families of extremely low, very low, and low income, and there is an immediate need to encourage the development of new housing, not only through the provision of financial assistance but also through reforms to regulation.
- (c) Affordable housing is expensive to build in California.
- (d) The cost of building affordable housing in California is impacted by local opposition, changes imposed by local design and review, and requirements for on-site parking.
- (e) The average construction cost per space, excluding land cost, in a parking structure in the United States is about \$24,000 for aboveground parking and \$34,000 for underground parking. In an affordable housing project with a fixed budget, every \$24,000 spent on a required parking space is \$24,000 less to spend on housing.
- (f) The biggest single determinant of vehicle miles traveled and therefore greenhouse gas emissions is ownership of a private vehicle.
- (g) A review of developments funded through the Department of Housing and Community Development's Transit-Oriented Development Implementation Program (TOD program) shows that lower income households drive 25 to 30 percent fewer miles when living within one-half mile of transit than those living in non-TOD program areas. When living within one-quarter mile of frequent transit, they drove nearly 50 percent less.
- (h) When cities require off-street parking with all new residential construction, they shift what should be the cost of driving, the cost of parking a car, into the cost of housing, which artificially increases the cost of housing.
- (i) Increases in public transportation and shared mobility options and the development of more walkable and bikeable neighborhoods reduce the demand for parking.
- (j) Consistent with Chapter 488 of the Statues of 2006 (AB 32) and Chapter 728 of the Statutes of 2008 (SB 375), it is state policy to promote transit-oriented infill development to reduce greenhouse gas emissions.
- (k) The high cost of the land and improvements required to provide parking significantly increases the cost of transit-oriented development, making lower cost and affordable housing development financially infeasible and hindering the goals of SB 375.
- (/) Eliminating minimum parking requirements will allow the limited funding available for affordable housing to support more housing for more Californians. A given housing subsidy fund can benefit about 6.5 times more households with no parking spaces than households with 2 spaces per unit.
- (m) Minimum parking requirements provide large subsidies for parking, which in turn encourage more people to drive cars.
- (n) Minimum parking requirements create a barrier to effective use of the density bonus law contained in <u>Section 65915 of the Government Code</u>. The parking required for the extra units adds construction and land costs that may be prohibitive and requires vacant land that may be unavailable, especially in locations near transit.
- (o) Increasing the supply of affordable housing near transit helps achieve deeper affordability through reduced transportation costs, in addition to reduced housing costs.
- (p) Governmental parking requirements for infill and transit-oriented development reduce the viability of transit by limiting the number of households or workers near transit, increasing walking distances, and degrading the pedestrian environment.

- § 65915. Local government incentives or concessions where applicant seeks density bonus [Effective until January 1, 2025]
 - (q) Reducing or eliminating minimum parking requirements for infill and transit-oriented development and allowing builders and the market to decide how much parking is needed can achieve all of the following:
 - (1) Ensure sufficient amounts of parking at almost all times.
 - (2) Reduce the cost of development and increase the number of transit-accessible and affordable housing units.
 - (3) Allow for more effective use of the density bonus law.
 - (4) Increase density in areas with the most housing demand, and improve the viability of developing alternate modes of transportation, such as public transit, ridesharing, biking, and walking.
 - (5) Reduce greenhouse gas emissions and vehicle miles traveled by removing an incentive to drive.
 - (r) It is the intent of the Legislature to reduce the cost of development by eliminating excessive minimum parking requirements for transit-oriented developments that includes affordable housing, senior housing, and special needs housing.
 - (s) The Legislature further declares that the need to address infill development and excessive parking requirements is a matter of statewide concern and is not a municipal affair as that term is used in <u>Section 5 of Article XI of the California Constitution.</u> Therefore, this act shall apply to all cities, including charter cities.

Stats 2018 ch 937 provides:

SEC. 2. The Legislature finds and declares that Section 1 of this act amending <u>Section 65915 of the Government Code</u> addresses a matter of statewide concern rather than a municipal affair as that term is used in <u>Section 5 of Article XI of the California Constitution</u>. Therefore, Section 1 of this act applies to all cities, including charter cities.

Stats 2012 ch 181 provides:

SEC. 86. This act shall become operative on January 1, 2014, but only if Assembly Bill 805 of the 2011-12 Regular Session becomes operative on or before January 1, 2014.

Stats 2005 ch 496 provides:

<u>SECTION 1</u>. It is the intent of the Legislature that local governments encourage, to the maximum extent practicable, the location of housing developed pursuant to <u>Section 65915 of the Government Code</u> in urban areas with adequate infrastructure to serve the housing.

Stats 1999 ch 968 provides:

- SEC. 9. The Legislature finds and declares both of the following:
 - (a) The amendments made by this act to subdivision (c) of <u>Section 65009 of the Government Code</u>, excluding the portion of the amendment related to middle-income households, are declaratory of existing law.
 - (b) The amendments made by this act to <u>Section 65915 of the Government Code</u> are declaratory of existing law.

Stats 1998 ch 689 provides:

- <u>SECTION 1</u>. (a) This act shall be known and may be cited as the Housing and Land Use Omnibus Act of 1998.
- (b) The Legislature finds and declares that Californians desire their government to be run efficiently and economically, and that public officials should avoid waste and duplication whenever possible. The Legislature further finds and declares that it desires to control its own operating costs by reducing the

number of separate bills affecting housing, land use, and related topics. Therefore, it is the intent of the Legislature in enacting this act to combine several minor, noncontroversial statutory changes relating to housing, land use, and related topics into a single measure.

Notes to Decisions

- 1.Generally
- 2.Construction with Other Law
- 3.Applicability
- 4.Legislative Intent
- 5.Waiver
- 6.Particular Determinations

1. Generally

Although a local land use planning initiative intended to protect open space limited, in part of the county, the amount of land and number of development projects that would be able to qualify for a density bonus, it was valid because it did not preclude accommodation of the state policy of promoting low income housing construction in other regions of the county. Shea Homes Limited Partnership v. County of Alameda (Cal. App. 1st Dist. 2003), 110 Cal. App. 4th 1246, 2 Cal. Rptr. 3d 739, 2003 Cal. App. LEXIS 1152.

In a case in which plaintiffs challenged a city's approval of use permits and zoning variances for a mixed-use development project consisting of residential units and retail commercial space, plaintiffs failed to demonstrate that the city's actions constituted a change in policy or that its action in interpreting and complying with <u>Gov C § 65915</u>, was a "project" to which the California Environmental Quality Act, <u>Pub Res C §§ 21000</u> et seq., applied. <u>Wollmer v. City of Berkeley (Cal. App. 1st Dist. 2009)</u>, 179 Cal. App. 4th 933, 102 Cal. Rptr. 3d 19, 2009 Cal. App. LEXIS 1896.

Affordable housing project was in compliance with the general plan density standard and was consistent with <u>Gov C</u> § 65915(o)(2). <u>Wollmer v. City of Berkeley (Cal. App. 1st Dist. 2011)</u>, 193 Cal. App. 4th 1329, 122 Cal. Rptr. 3d 781, 2011 Cal. App. LEXIS 375.

2. Construction with Other Law

In contrast to <u>Gov C § 65915</u>, which requires concessions when an applicant seeks a density bonus unless findings are made, the Los Angeles Municipal Code prohibits concessions unless strict application of the land use regulations on the subject property would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the zoning regulations. <u>Walnut Acres Neighborhood Assn. v. City of Los Angeles</u> (Cal. App. 2d Dist. 2015), 235 Cal. App. 4th 1303, 185 Cal. Rptr. 3d 871, 2015 Cal. App. LEXIS 317.

Density Bonus Act and Mello Act are subordinate to the Coastal Act; thus, a city could reject a housing project in the coastal zone for aesthetic reasons even if a density bonus would have applied. <u>Kalnel Gardens, LLC v. City of Los Angeles (Cal. App. 2d Dist. 2016)</u>, 208 Cal. Rptr. 3d 114, 3 Cal. App. 5th 927, 2016 Cal. App. LEXIS 804.

3. Applicability

Density bonus of over 40 percent, approved on the basis of construction of senior citizen housing as defined in <u>CC</u> § 51.3, was authorized by <u>Gov C § 65915(n)</u>. <u>Friends of Lagoon Valley v. City of Vacaville (Cal. App. 1st Dist.</u> 2007), 154 Cal. App. 4th 807, 65 Cal. Rptr. 3d 251, 2007 Cal. App. LEXIS 1424.

Pursuant to <u>Gov C § 65915(n)</u>, a municipality may grant a density bonus greater than the 35 percent that can be required. <u>Friends of Lagoon Valley v. City of Vacaville (Cal. App. 1st Dist. 2007)</u>, <u>154 Cal. App. 4th 807, 65 Cal. Rptr. 3d 251, 2007 Cal. App. LEXIS 1424</u>.

Density bonus did not preclude fair market rents under the federal <u>Section 8</u> housing program, <u>42 U.S.C. § 1437f</u>, in excess of maximum rents under <u>H & S C §§ 50053(b)(2)</u>, <u>50098</u>, because affordable rent under <u>Gov C § 65915(c)(1)</u>, pertains to the amount paid by the tenant and does not limit rent subsidies. <u>Gov C § 65917</u>, does not display any legislative intent to make developers choose between regulatory incentives and rental subsidies. <u>Wollmer v. City of Berkeley (Cal. App. 1st Dist. 2011)</u>, <u>193 Cal. App. 4th 1329</u>, <u>122 Cal. Rptr. 3d 781</u>, <u>2011 Cal. App. LEXIS 375</u>.

4. Legislative Intent

This provision is neither inconsistent with nor intended to preempt local mandatory inclusionary housing ordinances. California Building Industry Assn. v. City of San Jose (Cal. 2015), 61 Cal. 4th 435, 189 Cal. Rptr. 3d 475, 351 P.3d 974, 2015 Cal. LEXIS 3905, cert. denied, (U.S. 2016), 577 U.S. 1179, 136 S. Ct. 928, 194 L. Ed. 2d 239, 2016 U.S. LEXIS 1010.

5. Waiver

Waiver of development standards to accommodate project amenities in a density-bonus qualifying project was permissible under <u>Gov C § 65915(e)(1)</u>, and the standards thus waived were inapplicable for purposes of the <u>14 Cal Code Reg § 15332(a)</u>, in-fill development exemption established under the authority of <u>Pub Res C § 21084(a)</u>. No unusual circumstances precluded the exemption. <u>Mammoth Lakes Land Acquisition, LLC v. Town of Mammoth Lakes (Cal. App. 3d Dist. 2010)</u>, 191 Cal. App. 4th 435, 120 Cal. Rptr. 3d 797, 2010 Cal. App. LEXIS 2172.

City did not abuse its discretion by approving a mixed-use project that included affordable housing units because the project qualified for the benefits of the Density Bonus Law, the city council expressly found that there was no substantial evidence that would support denying a requested deviation from setback requirements, and the city was obligated to waive conflicting development standards in the absence of a showing that any exception to the Density Bonus Law applied. <u>Bankers Hill 150 v. City of San Diego (Cal. App. 4th Dist. 2022), 289 Cal. Rptr. 3d 268, 74 Cal. App. 5th 755, 2022 Cal. App. LEXIS 83.</u>

6. Particular Determinations

In a case in which plaintiffs challenged a city's approval of use permits and zoning variances for a mixed-use development project consisting of residential units and retail commercial space, plaintiffs failed to establish that the city had not proceeded in the manner required by law, that the city's decision was not supported by the findings, or that the findings were not supported by the evidence. Because additional residential units awarded by the city pursuant to <u>Gov C § 65915(n)</u>, were excluded from the calculation of the base number of residential units under § 65915(b)(1), the city correctly determined the number of residential units for the base project, and there was therefore no error in its calculation of the number of density bonus units. <u>Wollmer v. City of Berkeley (Cal. App. 1st Dist. 2009)</u>, 179 Cal. App. 4th 933, 102 Cal. Rptr. 3d 19, 2009 Cal. App. LEXIS 1896.

Density bonus law requires that cities and counties allow increased building density, and grant concessions and waivers of permit requirements, in exchange for an applicant's agreement to dedicate a specified number of

dwelling units to low income or very low income households. Neither the statute nor the Los Angeles City ordinance implementing it required an applicant to provide financial documentation to prove that the requested concessions would render the development economically feasible. <u>Schreiber v. City of Los Angeles (Cal. App. 2d Dist. 2021)</u>, 284 Cal. Rptr. 3d 587, 69 Cal. App. 5th 549, 2021 Cal. App. LEXIS 800.

Research References & Practice Aids

Legal Periodicals:

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Unintended Consequences: Eminent Domain and Affordable Housing. 46 Santa Clara L. Rev. 841.

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Ballot Blues: Los Angeles Voters Confront Ballot Issues That May Affect Housing And Land Development For Decades. 39 Los Angeles Lawyer 16.

1989 legislative summary. 8 Cal Real Prop J No. 1 p 1.

Treatises:

Cal. Forms Pleading & Practice (Matthew Bender) ch 303 "Injunctions".

Cal. Legal Forms, (Matthew Bender) §§ 30B.22, 39.20.

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Miller & Starr, Cal Real Estate 3d §§ 25:125, 25:171, 25:174.

8 Witkin Summary (11th ed) Constitutional Law §§ 1136, 1137.

12 Witkin Summary (11th ed) Real Property § 824.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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Cal Gov Code § 65915

Deering's California Codes are current through the 2024 Regular Session Ch 268.

Deering's California Codes Annotated > GOVERNMENT CODE (§§ 1 — 500000–500049) > Title 7 Planning and Land Use (Divs. 1-3) > Division 1 Planning and Zoning (Chs. 1-13) > Chapter 4.3 Density Bonuses and Other Incentives (§§ 65915 — 65918)

Notice



This section has more than one version with varying effective dates.

§ 65915. Local government incentives or concessions where applicant seeks density bonus [Effective January 1, 2025]

(a)

- (1) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall comply with this section. A city, county, or city and county shall adopt an ordinance that specifies how compliance with this section will be implemented. Except as otherwise provided in subdivision (s), failure to adopt an ordinance shall not relieve a city, county, or city and county from complying with this section.
- (2) A local government shall not condition the submission, review, or approval of an application pursuant to this chapter on the preparation of an additional report or study that is not otherwise required by state law, including this section. This subdivision does not prohibit a local government from requiring an applicant to provide reasonable documentation to establish eligibility for a requested density bonus, as described in subdivision (b), and parking ratios, as described in subdivision (p).
- (3) In order to provide for the expeditious processing of a density bonus application, the local government shall do all of the following:
 - (A) Adopt procedures and timelines for processing a density bonus application.
 - (B) Provide a list of all documents and information required to be submitted with the density bonus application in order for the density bonus application to be deemed complete. This list shall be consistent with this chapter.
 - (C) Notify the applicant for a density bonus whether the application is complete in a manner consistent with the timelines specified in Section 65943.

(D)

- (i) If the local government notifies the applicant that the application is deemed complete pursuant to subparagraph (C), provide the applicant with a determination as to the following matters:
 - (I) The amount of density bonus, calculated pursuant to subdivision (f), for which the applicant is eligible.

- (II) If the applicant requests a parking ratio pursuant to subdivision (p), the parking ratio for which the applicant is eligible.
- (III) If the applicant requests incentives or concessions pursuant to subdivision (d) or waivers or reductions of development standards pursuant to subdivision (e), whether the applicant has provided adequate information for the local government to make a determination as to those incentives, concessions, waivers, or reductions of development standards.
- (ii) Any determination required by this subparagraph shall be 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 based on any changes to the project during the course of development.

(b)

- (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and, if requested by the applicant and consistent with the applicable requirements of this section, incentives or concessions, as described in subdivision (d), waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p), if an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the 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 <u>Section 50079.5 of the Health and Safety Code</u>.
 - **(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 <u>Section 50105 of the Health and Safety Code</u>.
 - **(C)** A senior citizen housing development, as defined in <u>Sections 51.3 and 51.12 of the Civil Code</u>, or a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to <u>Section 798.76 or 799.5 of the Civil Code</u>. For purposes of this subparagraph, "development" includes a shared housing building development development and a residential care facility for the elderly, as defined in <u>Section 1569.2 of the Health and Safety Code</u>.
 - **(D)** Ten percent of the total dwelling units of a housing development are sold to persons and families of moderate income, as defined in <u>Section 50093 of the Health and Safety Code</u>, provided that all units in the development are offered to the public for purchase.
 - (E) Ten percent of the total units of a housing development for transitional foster youth, as defined in <u>Section 66025.9 of the Education Code</u>, disabled veterans, as defined in <u>Section 18541</u>, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (<u>42 U.S.C. Sec. 11301</u> et seq.). The units described in this subparagraph are subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

(F)

- (i) Twenty percent of the total units for lower income students in a student housing development that meets the following requirements:
 - (I) All units in the student housing development shall be used exclusively for undergraduate, graduate, or professional students enrolled currently or in the past six months in at least six units at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges. In order to be eligible under this subclause, the developer shall, as a

condition of receiving a certificate of occupancy, provide evidence to the city, county, or city and county that the developer has done any one of the following:

- (ia) Entered into an operating agreement or master lease with one or more institutions of higher education for the institution or institutions to occupy all units of the student housing development with students from that institution or institutions. An operating agreement or master lease entered into pursuant to this subclause is not violated or breached if, in any subsequent year, there are insufficient students enrolled in an institution of higher education to fill all units in the student housing development.
- (ib) Established a system for confirming its renters' status as students to ensure that all units of the student housing development are occupied with students from an institution of higher education.
- (II) The applicable units in the student housing development for lower income students shall be used for and occupied by lower income students.
- (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 shall 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 <u>Section 103577 of the Health and Safety Code</u>, or institution of higher education that has knowledge of a person's homeless status may verify a person's status as homeless for purposes of this subclause.
- **(V)** The student housing development is not located on a site that pursuant to paragraph (3) of subdivision (c) would require replacement units for projects with greater than a 35 percent density bonus.
- (ii) For purposes of calculating a density bonus granted pursuant to this subparagraph, the term "unit" as used in this section means one rental bed and its pro rata share of associated common area facilities. The units described in this subparagraph are subject to a recorded affordability restriction of 55 years, which shall not tie any rental bed reserved for lower income students to a specific bedroom. Notwithstanding any other law, an affordability restriction provision, state or county law or policy, or property management policy shall not prevent a lower income student from sharing a room or unit with a nonlower income student. Any attempted waiver of the requirements of this clause is void as against public policy.
- **(G)** One hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by <u>Section 50079.5 of the Health and Safety Code</u>, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in <u>Section 50053</u> of the <u>Health and Safety Code</u>. For purposes of this subparagraph, "development" includes a shared housing building development.
- (2) For purposes of calculating the amount of the density bonus 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:
 - (I) The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 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.

(2)

- **(A)** An applicant shall agree to ensure, and the city, county, or city and county shall ensure, that a for-sale unit that qualified the applicant for the award of the density bonus meets one of the following conditions:
 - (i) The unit is initially sold to and occupied by a person or family of very low, low, or moderate income, as required, and it is offered at an affordable housing cost, as that cost is defined in <u>Section 50052.5 of the Health and Safety Code</u> and is subject to an equity sharing agreement.
 - (ii) If the unit is not purchased by an income-qualified person or family within 180 days after the issuance of the certificate of occupancy, the unit is purchased by a qualified nonprofit housing corporation that meets all of the following requirements pursuant to a recorded contract that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code:
 - (I) The nonprofit corporation has a determination letter from the Internal Revenue Service affirming its tax-exempt status pursuant to <u>Section 501(c)(3) of the Internal Revenue Code</u> and is not a private foundation as that term is defined in <u>Section 509 of the Internal</u> Revenue Code.
 - (II) The nonprofit corporation is based in California.
 - (III) All of the board members of the nonprofit corporation have their primary residence in California.
 - (IV) The primary activity of the nonprofit corporation is the development and preservation of affordable home ownership housing in California that incorporates within their contracts for initial purchase 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 pursuant to an equity sharing agreement or 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 <u>Section 501(c)(3) of the Internal Revenue Code</u> that has received a welfare exemption under <u>Section 214.15</u> of the Revenue and <u>Taxation Code</u> for properties intended to be sold to low-income families who participate in a special no-interest loan program.

- **(C)** The local government shall enforce an equity sharing agreement required pursuant to clause (i) or (ii) of subparagraph (A), unless it is in conflict with the requirements of another public funding source or law or may defer to the recapture provisions of the public funding source. The following apply to the equity sharing agreement:
 - (i) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate 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 homeownership.
 - (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.
 - (v) If the unit is purchased or developed by a qualified nonprofit housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified nonprofit housing corporation under which the qualified nonprofit housing corporation would recapture any initial subsidy and its proportionate share of appreciation if the qualified nonprofit housing corporation is required to use 100 percent of the proceeds to promote homeownership for lower income households as defined by Section 50079.5 of the Health and Safety Code within the jurisdiction of the local government.

(3)

- (A) Except as provided in subclause (V) of clause (i) of subparagraph (F) of paragraph (1) of subdivision (b), an applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons 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 of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces 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).
 - (ii) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.
- **(B)** For the purposes of this paragraph, "replace" shall mean either of the following:
 - (i) If any dwelling units described in subparagraph (A) are occupied on the date of application, the proposed housing development shall provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy. If the income category of the household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same

proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as the last household in occupancy. If the income category of the last household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. 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) If all dwelling units described in subparagraph (A) have been vacated or demolished within the five-year period preceding the application, the proposed housing development shall provide at least the same number of units of equivalent size as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, it shall be rebuttably presumed that low-income and very low income renter households occupied these units in the same proportion of low-income and very low income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. 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).
- **(C)** Notwithstanding subparagraph (B), for any dwelling unit 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.
- **(D)** For purposes of this paragraph, "equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

- § 65915. Local government incentives or concessions where applicant seeks density bonus [Effective January 1, 2025]
 - **(E)** Subparagraph (A) does not apply to an applicant seeking a density bonus for a proposed housing development if the applicant's application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

(d)

- (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, 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 <u>Section</u> <u>50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).
 - **(B)** The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of *Section 65589.5*, upon public health and safety or on any real 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.
 - (C) The concession or incentive would be contrary to state or federal law.
- (2) The applicant shall receive the following number of incentives or concessions:
 - **(A)** One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(B)** Two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(C)** Three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a development in which the units are for sale.
 - **(D)** Five incentives or concessions for a project meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b). If the project is located within one-half mile of a major transit stop or is located in a very low vehicle travel area in a designated county, the applicant shall also receive a height increase of up to 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. If a project includes at least 23 percent of the total units for lower income students in a student housing project, the applicant shall instead receive two incentives or concessions.
 - **(F)** Four incentives or concessions for projects that include at least 16 percent of the units for very low income households or at least 45 percent for persons and families of moderate income in a development in which the units are for sale.
- (3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. This subdivision shall not be interpreted to

require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of *Section 65589.5*, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section that shall include legislative body approval of the means of compliance with this section.

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

(e)

- (1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. Subject to paragraph (3), an applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. This subdivision shall not be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would 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).
- (3) A housing development that receives a waiver from any maximum controls on density pursuant to clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f) shall only be eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.
- (f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable gross 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, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the 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:
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(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision

(b), the density bonus shall be calculated as follows:

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(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.
- **(C)** For housing developments meeting the criteria of subparagraph (F) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

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

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(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.

(g)

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

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- (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 development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:
 - **(A)** The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or 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.
 - **(D)** The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of *Section 65583.2* if the design is not reviewed by the local government before the time of transfer.
 - **(E)** The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.
 - **(F)** The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.
 - **(G)** The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.
 - **(H)** A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h)

- (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a childcare facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:
 - (A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the childcare facility.
 - **(B)** An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the childcare facility.
- **(2)** The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

- (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 <u>Section 4100 of the Civil Code</u>, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of <u>Section 65863.4</u>, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j)

- (1) The granting of a concession or incentive shall not require or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval. For purposes of this subdivision, "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in 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 incentive means any of the following:
 - (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with <u>Section 18901) of Division 13 of the Health and Safety Code</u>, 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 that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in <u>Section 50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).
 - **(2)** 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.

- § 65915. Local government incentives or concessions where applicant seeks density bonus [Effective January 1, 2025]
 - **(3)** 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 defined in <u>Section 50052.5 of the Health and Safety Code</u>, or for rents for the targeted units to be set as specified in subdivision (c).
 - (I) 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) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with <u>Section 30000) of the Public Resources Code</u>). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division 20 (commencing with <u>Section 30000) of the Public Resources Code</u>.
 - (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.
 - (o) For purposes of this section, the following definitions shall apply:
 - (1) "Designated county" includes the Counties of Alameda, Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Mateo, Santa Barbara, Santa Clara, Solano, Sonoma, and Ventura, and the City and County of San Francisco.
 - **(2)** "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, a minimum lot area per unit requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation that is adopted by the local government or that is enacted by the local government's electorate exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the local government.
 - (3) "Located within one-half mile of a major transit stop" means that any point on a proposed development, for which an applicant seeks a density bonus, other incentives or concessions, waivers or reductions of development standards, or a vehicular parking ratio pursuant to this section, is within one-half mile of any point on the property on which a major transit stop is located, including any parking lot owned by the transit authority or other local agency operating the major transit stop.
 - (4) "Lower income student" means a student who has a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as set forth in subdivision (k) of Section 69432.7 of the Education Code. The eligibility of a student to occupy a unit for lower income students under this section shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education in which the student is enrolled or by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or fee waiver from the college or university, the California Student Aid Commission, or the federal government.
 - **(5)** "Major transit stop" has the same meaning as defined in subdivision (b) of <u>Section 21155 of the Public Resources Code</u>.
 - **(6)** "Maximum allowable residential density" or "base density" means the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, means the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Density shall be

determined using dwelling units per acre. However, if the applicable zoning ordinance, specific plan, or land use element of the general plan does not provide a dwelling-units-per-acre standard for density, then the local agency shall calculate the number of units by:

- (A) Estimating the realistic development capacity of the site based on the objective development standards applicable to the project, including, but not limited to, floor area ratio, site coverage, maximum building height and number of stories, building setbacks and stepbacks, public and private open-space requirements, minimum percentage or square footage of any nonresidential component, and parking requirements, unless not required for the base project. Parking requirements shall include considerations regarding number of spaces, location, design, type, and circulation. A developer may provide a base density study and the local agency shall accept it, provided that it includes all applicable objective development standards.
- **(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.

(7)

(A)

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

(B)

- (i) "Shared housing unit" means one or more habitable rooms, not within another dwelling unit, that includes a bathroom, sink, refrigerator, and microwave, is used for permanent residence, that meets the "minimum room area" specified in Section R304 of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations), and complies with the definition of "guestroom" in Section R202 of the California Residential Code. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.
- (ii) "Shared housing unit" for purposes of a residential care facility for the elderly, as defined in <u>Section 1569.2 of the Health and Safety Code</u>, includes a unit without an individual kitchen where a unit may be shared by unrelated persons, and a unit where a room that may be shared by unrelated persons meets the "minimum room area" requirements of clause (i).
- (8) "Student housing development" means a development that contains bedrooms containing two or more bedspaces that have a shared or private bathroom, access to a shared or private living room and laundry facilities, and access to a shared or private kitchen.

(9)

(A) "Total units" or "total dwelling units" means a calculation of the number of units that:

- (i) Excludes a unit added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.
- (ii) Includes a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county.
- **(B)** For purposes of calculating a density bonus granted pursuant to this section for a shared housing building, "unit" means one shared housing unit and its pro rata share of associated common area facilities.
- (10) "Very low vehicle travel area" means an urbanized area, as designated by the United States Census Bureau, where the existing residential development generates vehicle miles traveled per capita that is below 85 percent of either regional vehicle miles traveled per capita or city vehicle miles traveled per capita. For purposes of this paragraph, "area" may include a travel analysis zone, hexagon, or grid. For the purposes of determining "regional vehicle miles traveled per capita" pursuant to this paragraph, a "region" is the entirety of incorporated and unincorporated areas governed by a multicounty or single-county metropolitan planning organization, or the entirety of the incorporated and unincorporated areas of an individual county that is not part of a metropolitan planning organization.

(p)

- (1) Except as provided in paragraphs (2), (3), and (4), upon the request of the developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of parking for persons with a disability and guests, of a development meeting the criteria of subdivisions (b) and (c), that exceeds the following ratios:
 - (A) Zero to one bedroom: one onsite parking space.
 - **(B)** Two to three bedrooms: one and one-half onsite parking spaces.
 - **(C)** Four and more bedrooms: two and one-half parking spaces.
 - (D) One bedspace in a student housing development: zero parking spaces.

(2)

- (A) Notwithstanding paragraph (1), if a development includes at least 20 percent low-income units for housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b) or at least 11 percent very low income units for housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per unit. Notwithstanding paragraph (1), if a development includes at least 40 percent moderate-income units for housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, as defined in subdivision (b) of <u>Section 21155 of the Public Resources Code</u>, and the residents of the development have unobstructed access to the major transit stop from the development then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per bedroom.
- **(B)** For purposes of this subdivision, "unobstructed access to the major transit stop" means a resident is able to access the major transit stop without encountering natural or constructed impediments. For purposes of this subparagraph, "natural or constructed impediments" includes, but is not limited to, freeways, rivers, mountains, and bodies of water, but does not include residential structures, shopping centers, parking lots, or rails used 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 <u>Sections 51.2 and 51.3 of the Civil Code</u> 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 per day.
- **(C)** The development is either a special needs housing development, as defined in <u>Section 51312</u> of the <u>Health and Safety Code</u>, or a supportive housing development, as defined in <u>Section 50675.14 of the Health and Safety Code</u>. A development that is a special needs housing development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.
- (4) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide onsite parking through tandem parking or uncovered parking, but not through onstreet 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 city and county from reducing or eliminating a parking requirement for development projects of any type in any location.
- (7) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.
- **(8)** A request 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).
- (q) Each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. The Legislature finds and declares that this provision is declaratory of existing law.
- **(r)** This chapter shall be interpreted liberally in favor of producing the maximum number of total housing units.
- (s) Notwithstanding any other law, if a city, including a charter city, county, or city and county has adopted an ordinance or a housing program, or both an ordinance and a housing program, that incentivizes the development of affordable housing that allows for density bonuses that exceed the density bonuses required by the version of this section effective through December 31, 2020, that city, county, or city and county is not required to amend or otherwise update its ordinance or corresponding affordable housing incentive program to comply with the amendments made to this section by the act adding this subdivision, and is exempt from complying with the incentive and concession calculation amendments made to this

section by the act adding this subdivision as set forth in subdivision (d), particularly subparagraphs (B) and (C) of paragraph (2) of that subdivision, and the amendments made 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).

(u)

- (1) The Legislature finds and declares that the intent behind the Density Bonus Law is to allow public entities to reduce or even eliminate subsidies for a particular project by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. It further reaffirms that the intent is to cover at least some of the financing gap of affordable housing with regulatory 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 a developer are balanced with the receipt of a public benefit in the form of adequate levels of affordable housing. The Legislature further intends that these modifications will ensure that the Density Bonus Law creates incentives for the construction of more housing across all areas of the state.

(v)

- (1) Provided that the resulting housing development would not restrict more than 50 percent of the total units to moderate-income, lower income, or very low income households, a city, county, or city and county shall grant an additional density bonus calculated pursuant to paragraph (2) when an applicant proposes to construct a housing development that conforms to the requirements of paragraph (1) of subdivision (b), agrees to include additional rental or for-sale units affordable to very low income households or moderate income households, and meets any of the following requirements:
 - **(A)** The housing development conforms to the requirements of subparagraph (A) of paragraph (1) of subdivision (b) and provides 24 percent of the total units to lower income households.
 - **(B)** The housing development conforms to the requirements of subparagraph (B) of paragraph (1) of subdivision (b) and provides 15 percent of the total units to very low income 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 households.
- (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:
 - P P
 - e e
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5 2 0

- (3) The increase required by paragraphs (1) and (2) shall be in addition to any increase in density granted by subdivision (b).
- **(4)** The additional density bonus required under this subdivision shall be calculated using the number of units excluding any density bonus awarded by this section.

History

Added Stats 1979 ch 1207 § 10, effective October 2, 1979. Amended Stats 1982 ch 1263 § 2, effective September 22, 1982; Stats 1983 ch 634 § 1; Stats 1984 ch 1333 § 2; Stats 1989 ch 842 § 3; Stats 1990 ch 31 § 3 (AB 1259), effective March 26, 1990; Stats 1991 ch 1091 § 64 (AB 1487); Stats 1998 ch 689 § 6 (SB 1362); Stats 1999 ch 968 § 7 (SB 948); Stats 2000 ch 556 § 1 (AB 2755); Stats 2002 ch 1062 § 3 (AB 1866); Stats 2003 ch 430 § 1 (AB 305); Stats 2004 ch 724 § 5 (AB 2348), ch 928 § 1 (SB 1818); Stats 2005 ch 496 § 2 (SB 435), effective January 1, 2006; Stats 2008 ch 454 § 1 (AB 2280), effective January 1, 2009; Stats 2012 ch 181 § 53 (AB 806), effective January 1, 2013, operative January 1, 2014; Stats 2013 ch 76 § 102 (AB 383), effective January 1, 2014; Stats 2014 ch 682 § 1 (AB 2222), effective January 1, 2015; Stats 2015 ch 699 § 2 (AB 744), effective January 1, 2016; Stats 2016 ch 756 § 1 (AB 2442), effective January 1, 2017; Stats 2016 ch 758 § 1 (AB 2501), effective January 1, 2017; Stats 2016 ch 761 § 1.7 (AB 2556), effective January 1, 2017; Stats 2018 ch 904 § 2 (AB 2797), effective January 1, 2019; Stats 2018 ch 921 § 1 (AB 2753), effective January 1, 2019; Stats 2018 ch 937 § 1.3 (SB 1227), effective January 1, 2019 (ch 937 prevails); Stats 2019 ch 497 § 148 (AB 991), effective January 1, 2020; Stats 2019 ch 666 § 1 (AB 1763), effective January 1, 2020 (ch 666 prevails); Stats 2020 ch 197 § 2 (AB 2345), effective January 1, 2021; Stats 2021 ch 340 § 2 (SB 290), effective January 1, 2022; Stats 2021 ch 365 § 1.5 (SB 728), effective

January 1, 2022 (ch 365 prevails); <u>Stats 2022 ch 634 § 1 (AB 682)</u>, effective January 1, 2023; <u>Stats 2022 ch 634 § 1.5 (AB 682)</u>, effective January 1, 2023; <u>Stats 2022 ch 653 § 1 (AB 2334)</u>, effective January 1, 2023; <u>Stats 2022 ch 653 § 1.5 (AB 2334)</u>, effective January 1, 2023 (ch 653 prevails); <u>Stats 2023 ch 738 § 2 (AB 323)</u>, effective January 1, 2024; <u>Stats 2023 ch 755 § 1 (AB 1287)</u>, effective January 1, 2024; <u>Stats 2023 ch 784 § 1.3 (SB 713)</u>, effective January 1, 2024 (ch 784 prevails); <u>Stats 2024 ch 80 § 77 (SB 1525)</u>, effective January 1, 2025; <u>Stats 2024 ch 278 § 1 (AB 2694)</u>, effective January 1, 2025; <u>Stats 2024 ch 432 § 1.5 (AB 3166)</u>, effective January 1, 2025) (ch 432 prevails).

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§ 65915.1. Affordable housing impact fees not permitted on housing development's affordable units

For purposes of <u>Section 65915</u>, affordable housing impact fees, including inclusionary zoning fees and inlieu fees, shall not be imposed on a housing development's affordable units.

History

Added Stats 2021 ch 346 § 1 (AB 571), effective January 1, 2022.

Annotations

Research References & Practice Aids

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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§ 65915.2. Affordability period longer than 55 years for units qualified for award of density bonus

If permitted by local ordinance, nothing in <u>Section 65915</u> shall be construed to prohibit a city, county, or city and county from requiring an affordability period longer than 55 years for any units that qualified the applicant for the award of the density bonus developed in compliance with a local ordinance that requires, as a condition of the development of residential units, that the development include a certain percentage of units that are affordable to, and occupied by, low-income, lower income, very low income, or extremely low income households and that will be financed without low-income housing tax credits.

History

Added Stats 2021 ch 348 § 1 (AB 634), effective January 1, 2022.

Annotations

Research References & Practice Aids

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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§ 65915.3. Terms; Meanings [Effective January 1, 2025]

- (a) As used in this section, the following terms have the following meanings:
 - (1) "Housing development" has the same meaning as defined in subdivision (i) of Section 65915.
 - (2) "Monitoring fee" means a fee charged by a city, county, or city and county on a recurring basis to oversee and ensure the continued affordability of a housing development pursuant to either of the following:
 - (A) Section 65915.
 - **(B)** Any applicable local inclusionary housing ordinance.
- **(b)** Except as provided in subdivision (d), a city, county, or city and county shall not charge a monitoring fee on a housing development if all of the following conditions are met:
 - (1) The housing development meets the criteria of subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915.
 - (2) The applicant received a density bonus pursuant to Section 65915 for the housing development.
 - (3) The housing development is subject to a recorded regulatory agreement with the California Tax Credit Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development that requires compliance with subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915.
 - **(4)** Prior to receiving a building permit, the applicant provides to the local government a fully executed Tax Credit Reservation Letter indicating that the applicant accepted the award.
 - **(5)** The applicant provides to the local government a copy of a recorded regulatory agreement with the California Tax Credit Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development.
 - **(6)** The applicant agreed to provide to the local government the compliance monitoring document required pursuant to the California Tax Credit Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development regulations.
- **(c)** Beginning on January 1, 2025, a housing development that is currently placed in service, is subject to a monitoring fee, and meets the requirements of subdivision (b) shall no longer be subject to that fee.
- (d) Notwithstanding subdivisions (b) and (c), a city, county, or city and county may charge a monitoring fee on a housing development that meets the criteria of subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 if any of the following conditions are met:
 - (1) The applicant utilizes a local incentive program that results in the development of units with deeper affordability, including a higher number of affordable units than what is monitored for by the California Tax Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development.

- (2) The applicant uses a local incentive program that results in the development of units that are affordable to and occupied by moderate income households.
- (3) The applicant accepts a local funding source that results in the development of units with different affordability, measured through higher or lower area median income or through higher or lower rents, than what is monitored for by the California Tax Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development.
- (4) The applicant accepts funding from a regional, state, or federal agency other than the California Tax Credit Allocation Committee, the California Debt Limit Allocation Committee, the California Housing Finance Agency, or the Department of Housing and Community Development that requires local monitoring activities that would not otherwise be conducted by the California Tax Allocation Committee, the Department of Housing and Community Development, or the public agency issuing the funding.
- **(e)** A city, county, or city and county that is not collecting a monitoring fee pursuant to this section shall not have any obligation to monitor a housing development for compliance with Section 65915.

History

Added Stats 2024 ch 273 § 1 (AB 2430), effective January 1, 2025.

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§ 65915.5. Condominium conversions including low or moderate income housing units or lower income household units

- (a) When an applicant for approval to convert apartments to a condominium project agrees to provide at least 33 percent of the total units of the proposed condominium project to persons and families of low or moderate income as defined in <u>Section 50093 of the Health and Safety Code</u>, or <u>15</u> percent of the total units of the proposed condominium project to lower income households as defined in <u>Section 50079.5 of the Health and Safety Code</u>, and agrees to pay for the reasonably necessary administrative costs incurred by a city, county, or city and county pursuant to this section, the city, county, or city and county shall either (1) grant a density bonus or (2) provide other incentives of equivalent financial value. A city, county, or city and county may place such reasonable conditions on the granting of a density bonus or other incentives of equivalent financial value as it finds appropriate, including, but not limited to, conditions which assure continued affordability of units to subsequent purchasers who are persons and families of low and moderate income or lower income households.
- **(b)** For purposes of this section, "density bonus" means an increase in units of 25 percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion.
- **(c)** For purposes of this section, "other incentives of equivalent financial value" shall not be construed to require a city, county, or city and county to provide cash transfer payments or other monetary compensation but may include the reduction or waiver of requirements which the city, county, or city and county might otherwise apply as conditions of conversion approval.
- (d) An applicant for approval to convert apartments to a condominium project may submit to a city, county, or city and county a preliminary proposal pursuant to this section prior to the submittal of any formal requests for subdivision map approvals. The city, county, or city and county shall, within 90 days of receipt of a written proposal, notify the applicant in writing of the manner in which it will comply with this section. The city, county, or city and county shall establish procedures for carrying out this section, which shall include legislative body approval of the means of compliance with this section.
- **(e)** Nothing in this section shall be construed to require a city, county, or city and county to approve a proposal to convert apartments to condominiums.
- **(f)** An applicant shall be ineligible for a density bonus or other incentives under this section if the apartments proposed for conversion constitute a housing development for which a density bonus or other incentives were provided under <u>Section 65915</u>.
- **(g)** An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the condominium project is proposed on any property that includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons 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 of its police power; or occupied by lower or very low income households, unless the proposed condominium project replaces those units, as defined in subparagraph (B) of paragraph (3) of subdivision (c) of <u>Section 65915</u>, and either of the following applies:

- § 65915.5. Condominium conversions including low or moderate income housing units or lower income household units
 - (1) The proposed condominium project, inclusive of the units replaced pursuant to subparagraph (B) of paragraph (3) of subdivision (c) of <u>Section 65915</u>, contains affordable units at the percentages set forth in subdivision (a).
 - **(2)** Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.
 - **(h)** Subdivision (g) does not apply to an applicant seeking a density bonus for a proposed housing development if their application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

History

Added Stats 1983 ch 634 § 2. Amended Stats 2014 ch 682 § 2 (AB 2222), effective January 1, 2015.

Annotations

Notes

Amendments:

2014 Amendment:

Added subds (g) and (h).

Research References & Practice Aids

Cross References:

Condominiums generally: <u>CC §§ 1350</u> et seq.

Treatises:

Cal. Legal Forms, (Matthew Bender) § 30B.22.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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Notice



This section has more than one version with varying effective dates.

§ 65915.7. Granting development bonus to commercial developer contributing affordable housing [Repealed effective January 1, 2028]

- (a) When an applicant for approval of a commercial development has entered into an agreement for partnered housing described in subdivision (c) to contribute affordable housing through a joint project or two separate projects encompassing affordable housing, the city, county, or city and county shall grant to the commercial developer a development bonus as prescribed in subdivision (b). Housing shall be constructed on the site of the commercial development or on a site that is all of the following:
 - Within the boundaries of the local government.
 - (2) In close proximity to public amenities including schools and employment centers.
 - (3) Located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.
- (b) The development bonus granted to the commercial developer shall mean incentives, mutually agreed upon by the developer and the jurisdiction, that may include, but are not limited to, any of the following:
 - (1) Up to a 20-percent increase in maximum allowable intensity in the General Plan.
 - (2) Up to a 20-percent increase in maximum allowable floor area ratio.
 - (3) Up to a 20-percent increase in maximum height requirements.
 - (4) Up to a 20-percent reduction in minimum parking requirements.
 - (5) Use of a limited-use/limited-application elevator for upper floor accessibility.
 - (6) An exception to a zoning ordinance or other land use regulation.
- (c) For purposes of this section, the agreement for partnered housing shall be between the commercial developer and the housing developer, shall identify how the commercial developer will contribute affordable housing, and shall be approved by the city, county, or city and county.
- (d) For purposes of this section, affordable housing may be contributed by the commercial developer in one of the following manners:
 - (1) The commercial developer may directly build the units.
 - (2) The commercial developer may donate a portion of the site or property elsewhere to the affordable housing developer for use as a site for affordable housing.

§ 65915.7. Granting development bonus to commercial developer contributing affordable housing [Repealed effective January 1, 2028]

- (3) The commercial developer may make a cash payment to the affordable housing developer that shall be used towards the costs of constructing the affordable housing project.
- **(e)** For purposes of this section, subparagraph (A) of paragraph (3) of subdivision (c) of <u>Section 65915</u> shall apply.
- **(f)** Nothing in this section shall preclude any additional allowances or incentives offered to developers by local governments pursuant to law or regulation.
- (g) If the developer of the affordable units does not commence with construction of those units in accordance with timelines ascribed by the agreement described in subdivision (c), the local government may withhold certificates of occupancy for the commercial development under construction until the developer has completed construction of the affordable units.
- (h) In order to qualify for a development bonus under this section, a commercial developer shall partner with a housing developer that provides at least 30 percent of the total units for low-income households or at least 15 percent of the total units for very low-income households.
- (i) Nothing in this section shall preclude an affordable housing developer from seeking a density bonus, concessions or incentives, waivers or reductions of development standards, or parking ratios under <u>Section</u> 65915.
- (j) A development bonus pursuant to this section shall not include a reduction or waiver of the requirements within an ordinance that requires the payment of a fee by a commercial developer for the promotion or provision of affordable housing.
- **(k)** A city or county shall submit to the Department of Housing and Community Development, as part of the annual report required by <u>Section 65400</u>, information describing a commercial development bonus approved pursuant to this section, including the terms of the agreements between the commercial developer and the affordable housing developer, and the developers and the local jurisdiction, and the number of affordable units constructed as part of the agreements.
- (I) For purposes of this section, "partner" means formation of a partnership, limited liability company, corporation, or other entity recognized by the state in which the commercial development applicant and the affordable housing developer are each partners, members, shareholders or other participants, or a contract or agreement between a commercial development applicant and affordable housing developer for the development of both the commercial and the affordable housing properties.
- (m) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

History

Added Stats 2022 ch 637 § 1 (AB 1551), effective January 1, 2023, repealed January 1, 2028.

Annotations

Notes

Prior Law:

Former Gov C § 65915.7, similar to the present section, was added <u>Stats 2016 ch 747 § 2 (AB 1934)</u>, effective January 1, 2017, and repealed January 1, 2022, by its own terms.

Research References & Practice Aids

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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Cal Gov Code § 65915.7

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Notice

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This section has more than one version with varying effective dates.

§ 65915.7. Granting development bonus to commercial developer contributing affordable housing [Repealed effective January 1, 2028]

History

Added Stats 2022 ch 637 § 1 (AB 1551), effective January 1, 2023, repealed January 1, 2028.

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Cal Gov Code § 65916

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§ 65916. Assurance of continued availability for low- and moderate-income units where there is direct financial contribution

Where there is a direct financial contribution to a housing development pursuant to <u>Section 65915</u> through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the city, county, or city and county shall assure continued availability for low- and moderate-income units for 30 years. When appropriate, the agreement provided for in <u>Section 65915</u> shall specify the mechanisms and procedures necessary to carry out this section.

History

Added Stats 1979 ch 1207 § 10, effective October 2, 1979.

Annotations

Notes

Editor's Notes—

See note following Gov C § 65050.

Opinion Notes

Attorney General's Opinions

The granting of a density bonus or an exemption from a local ordinance provision does not constitute a "direct financial contribution" for purposes of <u>Gov C § 65916</u>. <u>64 Ops. Cal. Atty. Gen. 370</u>.

Cities and counties are required to comply with the 30-year use restriction provisions of <u>Government Code</u> §§ 37364 and 65916 when they use federal community development block grant funds to provide housing affordable to persons of low and moderate income by (1) purchasing property from private developer and reconveying it to him for nominal sum or (2) purchasing interest in property allowing them to restrict use of property to affordable housing. 69 Ops. Cal. Atty. Gen. 223.

A community may establish its maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over the next five-year period below the number of housing units that would meet the community's goal of achieving its share of the regional housing needs established pursuant to the Planning and

§ 65916. Assurance of continued availability for low- and moderate-income units where there is direct financial contribution

Zoning Law if the community finds that its available resources in the aggregate, including but not limited to federal and state funds for its housing programs, its own local funds, tax or density credits, and other affordable housing programs, are insufficient to meet those needs. <u>88 Ops. Cal. Atty. Gen. 84.</u>

Research References & Practice Aids

Legal Periodicals:

Review of Selected 1979 California Legislation. 11 Pac. L.J. 573.

Treatises:

Cal. Forms Pleading & Practice (Matthew Bender) ch 335 "Landlord And Tenant: Rent Control".

Cal. Legal Forms, (Matthew Bender) § 30B.22.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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Cal Gov Code § 65917

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§ 65917. Legislative intent

In enacting this chapter it is the intent of the Legislature that the density bonus or other incentives offered by the city, county, or city and county pursuant to this chapter shall contribute significantly to the economic feasibility of lower income housing in proposed housing developments. In the absence of an agreement by a developer in accordance with <u>Section 65915</u>, a locality shall not offer a density bonus or any other incentive that would undermine the intent of this chapter.

History

Added Stats 1979 ch 1207 § 10, effective October 2, 1979. Amended Stats 1982 ch 1263 § 3, effective September 22, 1982; Stats 1989 ch 842 § 4; Stats 2001 ch 115 § 14 (SB 153).

Annotations

Notes

Editor's Notes—

Amendments:

Editor's Notes—

See note following Gov C § 65050.

Amendments:

1982 Amendment:

(1) Substituted "density bonus or other incentives" for "agreement"; and (2) added "shall" after "to this chapter".

1989 Amendment:

(1) Substituted "lower income" for "low-and moderate income" after "feasibility of" in the first sentence; and (2) added the second sentence.

2001 Amendment:

Substituted "Section 65915" for "Section 65913.5 or 65915".

Commentary

Law Revision Commission Comments:

2001-

Section 65917 amended to correct an obsolete reference to former Section 65913.5.

Notes to Decisions

1. Generally

Density bonus did not preclude fair market rents under the federal <u>Section 8</u> housing program, <u>42 U.S.C. § 1437f</u>, in excess of maximum rents under <u>H & S C §§ 50053(b)(2)</u>, <u>50098</u>, because affordable rent under <u>Gov C § 65915(c)(1)</u>, pertains to the amount paid by the tenant and does not limit rent subsidies. <u>Gov C § 65917</u>, does not display any legislative intent to make developers choose between regulatory incentives and rental subsidies. <u>Wollmer v. City of Berkeley (Cal. App. 1st Dist. 2011)</u>, <u>193 Cal. App. 4th 1329</u>, <u>122 Cal. Rptr. 3d 781</u>, <u>2011 Cal. App. LEXIS 375</u>.

Research References & Practice Aids

Legal Periodicals:

Review of Selected 1979 California Legislation. 11 Pac. L.J. 573.

1989 legislative summary. 8 Cal Real Prop J No. 1 p 1.

Treatises:

Cal. Legal Forms, (Matthew Bender) § 30B.22.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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§ 65917.2. Definitions; Grant to eligible housing development developer floor area ratio bonus; Parking requirements; Impact fees calculation

- (a) As used in this section, the following terms shall have the following meanings:
 - (1) "Eligible housing development" means a development that satisfies all of the following criteria:
 - **(A)** The development is a multifamily housing development that contains five or more residential units, exclusive of any other floor area ratio bonus or incentive or concession awarded pursuant to this chapter.
 - **(B)** The development is located within one of the following:
 - (i) An urban infill site that is within a transit priority area.
 - (ii) One-half mile of a major transit stop.
 - **(C)** The site of the development is zoned to allow residential use or mixed-use with a minimum planned density of at least 20 dwelling units per acre and does not include any land zoned for low density residential use or for exclusive nonresidential use.
 - **(D)** The applicant and the development satisfy the replacement requirements specified in subdivision (c) of <u>Section 65915</u>.
 - **(E)** The development includes at least 20 percent of the units, excluding any additional units allowed under a floor area ratio bonus or other incentives or concessions provided pursuant to this chapter, with an affordable housing cost or affordable rent to, and occupied by, persons with a household income equal to or less than 50 percent of the area median income, as determined pursuant to <u>Section 50093 of the Health and Safety Code</u>, and subject to an affordability restriction for a minimum of 55 years.
 - **(F)** The development complies with the height requirements applicable to the underlying zone. A development shall not be eligible to use a floor area ratio bonus or other incentives or concessions provided pursuant to this chapter to relieve the development from a maximum height limitation.
 - (2) "Floor area ratio" means the ratio of gross building area of the eligible housing development, excluding structured parking areas, proposed for the project divided by the net lot area. For purposes of this paragraph, "gross building area" means the sum of all finished areas of all floors of a building included within the outside faces of its exterior walls.
 - (3) "Floor area ratio bonus" means an allowance for an eligible housing development to utilize a floor area ratio over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of a city or county, calculated pursuant to paragraph (2) of subdivision (b).
 - **(4)** "Major transit stop" has the same meaning as defined in <u>Section 21155 of the Public Resources</u> <u>Code</u>.

- § 65917.2. Definitions; Grant to eligible housing development developer floor area ratio bonus; Parking requirements; Impact fees calculation
 - **(5)** "Transit priority area" has the same meaning as defined in <u>Section 21099 of the Public Resources</u> <u>Code</u>.

(b)

- (1) A city council, including a charter city council or the board of supervisors of a city and county, or county board of supervisors may establish a procedure by ordinance to grant a developer of an eligible housing development, upon the request of the developer, a floor area ratio bonus, calculated as provided in paragraph (2), in lieu of a density bonus awarded on the basis of dwelling units per acre.
- (2) In calculating the floor area ratio bonus pursuant to this section, the allowable gross residential floor area in square feet shall be the product of all of the following amounts:
 - (A) The allowable residential base density in dwelling units per acre.
 - **(B)** The site area in square feet, divided by 43,560.
 - (C) 2,250.
- **(c)** The city council or county board of supervisors shall not impose any parking requirement on an eligible housing development in excess of 0.1 parking spaces per unit that is affordable to persons and families with a household income equal to or less than 120 percent of the area median income and 0.5 parking spaces per unit that is offered at market rate.
- (d) A city or county that adopts a floor area ratio bonus ordinance pursuant to this section shall allow an applicant seeking to develop an eligible residential development to calculate impact fees based on square feet, instead of on a per unit basis.
- **(e)** In the case of an eligible housing development that is zoned for mixed-use purposes, any floor area ratio requirement under a zoning ordinance or land use element of the general plan of the city or county applicable to the nonresidential portion of the eligible housing development shall continue to apply notwithstanding the award of a floor area ratio bonus in accordance with this section.
- **(f)** An applicant for a floor area ratio bonus pursuant to this section may also submit to the city, county, or city and county a proposal for specific incentives or concessions pursuant to subdivision (d) of <u>Section</u> 65915.

(g)

- (1) This section shall not be interpreted to do either of the following:
 - (A) Supersede or preempt any other section within this chapter.
 - **(B)** Prohibit a city, county, or city and county from providing a floor area ratio bonus under terms that are different from those set forth in this section.
- **(2)** The adoption of an ordinance pursuant to this section shall not be interpreted to relieve a city, county, or city and county from complying with <u>Section 65915</u>.

History

Added Stats 2018 ch 915 § 1 (AB 2372), effective January 1, 2019.

Annotations

Research References & Practice Aids

§ 65917.2. Definitions; Grant to eligible housing development developer floor area ratio bonus; Parking requirements; Impact fees calculation

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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Cal Gov Code § 65917.5

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§ 65917.5. Child care facility

- (a) As used in this section, the following terms shall have the following meanings:
 - (1) "Child care facility" means a facility installed, operated, and maintained under this section for the nonresidential care of children as defined under applicable state licensing requirements for the facility.
 - (2) "Density bonus" means a floor area ratio bonus over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of a city, including a charter city, city and county, or county of:
 - (A) A maximum of five square feet of floor area for each one square foot of floor area contained in the child care facility for existing structures.
 - **(B)** A maximum of 10 square feet of floor area for each one square foot of floor area contained in the child care facility for new structures.
 - For purposes of calculating the density bonus under this section, both indoor and outdoor square footage requirements for the child care facility as set forth in applicable state child care licensing requirements shall be included in the floor area of the child care facility.
 - (3) "Developer" means the owner or other person, including a lessee, having the right under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors to make an application for development approvals for the development or redevelopment of a commercial or industrial project.
 - (4) "Floor area" means as to a commercial or industrial project, the floor area as calculated under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors and as to a child care facility, the total area contained within the exterior walls of the facility and all outdoor areas devoted to the use of the facility in accordance with applicable state child care licensing requirements.
- (b) A city council, including a charter city council, city and county board of supervisors, or county board of supervisors may establish a procedure by ordinance to grant a developer of a commercial or industrial project, containing at least 50,000 square feet of floor area, a density bonus when that developer has set aside at least 2,000 square feet of floor area and 3,000 outdoor square feet to be used for a child care facility. The granting of a bonus shall not preclude a city council, including a charter city council, city and county board of supervisors, or county board of supervisors from imposing necessary conditions on the project or on the additional square footage. Projects constructed under this section shall conform to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other health, safety, and zoning requirements generally applicable to construction in the zone in which the property is located. A consortium with more than one developer may be permitted to achieve the threshold amount for the available density bonus with each developer's density bonus equal to the percentage participation of the developer. This facility may be located on the project site or may be located offsite as agreed upon by the developer and local agency. If the child care facility is not located on the site of the project, the local agency shall determine whether the location of the child care facility is appropriate and whether it conforms with the

intent of this section. The child care facility shall be of a size to comply with all state licensing requirements in order to accommodate at least 40 children.

- **(c)** The developer may operate the child care facility itself or may contract with a licensed child care provider to operate the facility. In all cases, the developer shall show ongoing coordination with a local child care resource and referral network or local governmental child care coordinator in order to qualify for the density bonus.
- (d) If the developer uses space allocated for child care facility purposes, in accordance with subdivision (b), for purposes other than for a child care facility, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. If the developer fails to have the space allocated for the child care facility within three years, from the date upon which the first temporary certificate of occupancy is granted, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors in accordance with procedures to be developed by the legislative body of the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. A penalty levied against a consortium of developers shall be charged to each developer in an amount equal to the developer's percentage square feet participation. Funds collected pursuant to this subdivision shall be deposited by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors into a special account to be used for child care services or child care facilities.
- **(e)** Once the child care facility has been established, prior to the closure, change in use, or reduction in the physical size of, the facility, the city, city council, including a charter city council, city and county board of supervisors, or county board of supervisors shall be required to make a finding that the need for child care is no longer present, or is not present to the same degree as it was at the time the facility was established.
- **(f)** The requirements of Chapter 5 (commencing with <u>Section 66000</u>) and of the amendments made to <u>Sections 53077</u>, <u>54997</u>, and 54998 by Chapter 1002 of the Statutes of 1987 shall not apply to actions taken in accordance with this section.
- (g) This section shall not apply to a voter-approved ordinance adopted by referendum or initiative.

History

Added Stats 1989 ch 132.	§ 2. Amended	Stats 2008 ch 179 §	§ 112	(SB 1498)	, effective Januar	v 1, 20	009.
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Annotations

Notes

Editor's Notes—
Amendments:
Note-

Editor's Notes—

Gov C §§ 54997, 54998, referred to in subdivision (f) of this section, was repealed Stats 1990 ch 1572 § 5. See now Gov C § 66023.

Amendments:

2008 Amendment:

(1) Substituted "an application" for "application" after "supervisors to make" in subd (a)(3); (2) amended subd (d) by substituting (a) "purposes" for "any purposes" after "subdivision (b), for" in the first sentence; (b) "A" for "Any" at the beginning of the fifth sentence; and (c) "child care" for "childcare" after "to be used for" in the last sentence; and (3) deleted the comma after "Sections 53077, 54997, and 54998" in subd (f).

Note-

Stats 1989 ch 1323 provides:

SECTION 1. The Legislature finds and declares all of the following:

- (a) It is the intent of the Legislature to encourage greater development of facilities by the private sector at points of employment concentration.
- (b) It is the intent of the Legislature to encourage and foster a public and private cooperative approach to providing child care services in California communities.
- (c) It is in the best interest of the state to develop and foster incentive driven programs to encourage commercial and industrial developers to provide children's centers, which can meet the needs of the city, including a charter city, city and county, or county.
- (d) It is the intent of the Legislature to provide advisory guidelines which may be adopted by a city council, including a charter city council, city and county board of supervisors, or county board of supervisors, for floor area ratio bonuses as one approach in addressing the unmet need for child care services in California communities.
- (e) It is in the best interest of the state to provide advisory guidelines which assist in reducing travel time for families by increasing onsite child care facilities in developments such as business, industrial parks, and retail centers. It is also in the best interest of the state to create incentives for developers which will help to foster and attract business and tenants in new developments.
- (f) It is the intent of the Legislature to provide guidelines for local jurisdictions and the private sector which will increase the number of facilities which are developed specifically for children that can enrich and nurture their physical and cognitive growth.
- (g) It is further the intent of the Legislature that every city council, including a charter city council, city and county board of supervisors, or county board of supervisors, shall consider adopting the floor area ratio bonus guidelines into their local general plans.

Research References & Practice Aids

Treatises:

Cal. Legal Forms, (Matthew Bender) § 30B.22.

Taking a closer look: Significant new California legislation enacted in 1989. 13 CEB Real Prop L Rep No. 2 p 37.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

Cal Gov Code Title 7, Div. 1, Ch. 4.3

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§ 65918. Application of provisions to charter cities

The provisions of this chapter shall apply to charter cities.

History

Added Stats 1979 ch 1207 § 10, effective October 2, 1979.

Annotations

Research References & Practice Aids

Cross References:

Chartered cities generally: Gov C §§ 51540 et seq.

Legal Periodicals:

Review of Selected 1979 California Legislation. 11 Pac. L.J. 573.

Treatises:

Cal. Forms Pleading & Practice (Matthew Bender) ch 579 "Zoning And Planning".

Cal. Legal Forms, (Matthew Bender) § 30B.22.

Hierarchy Notes:

Cal Gov Code Title 7, Div. 1

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