

Senate Bill 290

Clarifying CA's Density Bonus Law

Senator Nancy Skinner (D-Berkeley)

NOTE: Language in SB 290 is identical to last year's SB 1085, passed by Assembly but not concurred by Senate due to last day of session time constraints.

THIS BILL

California's Density Bonus Law is a unique tool that incentivizes developers to build more affordable housing. However, unintended flaws in the program result in many cities underutilizing the density bonus tool or not using it at all.

SB 290 improves and clarifies the state's Density Bonus statute to ensure it achieves its intended outcome of increasing affordable housing production.

ISSUE

California is facing a massive shortage of affordable housing. One tool to increase the production of affordable homes is the state's Density Bonus Law, which allows proposed housing projects to increase the density or number of units in the project by up to 50%, depending on the number of affordable housing units being included.

According to UC Berkeley's Turner Center for Housing Innovation, less than half of California cities and counties have had a development project that used a density bonus, and most jurisdictions have had only one or two projects.

There are several provisions in the state's Density Bonus Law that create unintentional barriers to achieving additional affordable housing units. For example, most of the density bonus options do not provide sufficient incentives to cover the cost of the required affordable units.

Also, the differing requirements to disapprove a project under the Housing Accountability Act (HAA) and the Density Bonus Law allow local governments to approve a project under the HAA but then deny the underlying density bonus on which a project's financing relies. This can have the impact of stopping both the development and its affordable housing units.

Lastly, unlike other low-income housing, low-income student housing projects that employ the Density Bonus Law are currently not eligible to receive any incentives despite the fact that student dorms require zoning waivers in order to accommodate their unique needs, such as shared dining.

SOLUTION

SB 290 makes the following improvements and clarifications to the state's Density Bonus Law to address the described issues:

- Allows low-income student housing projects to receive up to one incentive.
- Aligns the density bonus approval requirements with those in the HAA.
- Expands the definition of for-sale projects beyond common interest developments, including units that could be sold to low-income families.
- Adds a parking waiver for housing developments within one-half mile of transit that include 40% moderate-income, for-sale units.

SUPPORT

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California Association of Realtors
California Building Industry Association
California YIMBY
Chan Zuckerberg Initiative
Circulate San Diego
Council of Infill Builders
Generation Housing
Greenbelt Alliance
Habitat for Humanity California
Habitat for Humanity Greater San Francisco
Housing Action Coalition
LISC San Diego
Non-Profit Housing Association of Northern CA (NPH)
San Jose-Evergreen Community College District
Sand Hill Property Company
Santa Barbara Women's Political Committee
SF Bay Area Planning Urban Research Assoc. (SPUR)
Silicon Valley at Home (SV@Home)
Silicon Valley Community Foundation
South Pasadena Residents for Responsible Growth
Turner Center for Housing Innovation
The Two Hundred
TMG Partners
Zillow Group

CONTACT

Odette Overton, Office of Senator Nancy Skinner
(916) 651-4009
Odette.Overton@sen.ca.gov