



AB 2433 (Alvarez) Affordable Homes Bonus Law

BILL SUMMARY

AB 2433 modernizes California’s Density Bonus Law (“Bonus Law”), the state’s most successful affordable housing streamlining program, to enable more deeply affordable homes. The bill simplifies how incentives are granted and facilitates more deeply affordable homes by clarifying that units may be deed restricted at levels more affordable than the law explicitly states. The bill would also grant additional incentives if the project includes units explicitly for homeownership.

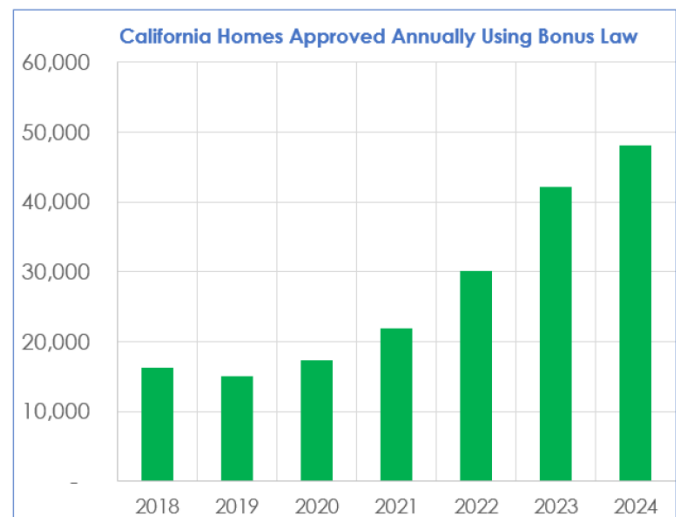
BACKGROUND

Bonus Law has been used to entitle over 140,000 new homes across California in the past five years, making it the state’s most utilized housing streamlining program. This law streamlines housing construction by granting benefits to projects that build a certain percentage of deed-restricted affordable units. Benefits include additional bonus density above local limits and concessions from local land use restrictions.

The existing law prescribes the amount of bonus and other benefits that a project can claim, which depends on the percentage of Very-Low, Low-, or Moderate-Income homes built in the project. There is a sliding scale, such that the more affordable units are dedicated, the more bonus and other benefits become available. This program has been a uniquely successful tool to unlock more affordable and market rate housing without relying on public subsidy.

Growing entitlements (Figure 1) demonstrate that these reforms are working. However, homebuilders still face unnecessary procedural hurdles and uncertainty when seeking these benefits.

Modernizing this law to work better for homebuilders is especially critical now, in the midst of limited public funding for affordable housing.



BILL DETAILS

The reforms in this package focus on

- 1) promoting homeownership
- 2) promoting affordability
- 3) modernizing how benefits are granted

Boost Homeownership

- Create More For-Sale Affordable Units: Grants two additional incentives for homebuilders with projects that deed-restrict for-sale units for low- and moderate-income families.



More Affordable Homes

- Deeply Affordable Housing: This bill will ensure that 100 percent affordable homebuilders can use the full stacked bonus benefits available under AB 1287. This better harmonizes this program with existing obligations tied to public subsidies and local inclusionary requirements.

Streamline Housing Approvals

- Floor Area Ratio (FAR) Fix: Allow bonus percentage to be calculated using FAR for local governments that rely on FAR.
- Affirmative Benefit Structure: Require local governments to treat every project with sufficient on-site affordable units as qualifying for the benefits of Bonus Law. Currently, a substantial percentage of projects that should receive these benefits are not opting into the program.
- Reaffirming Non-Discretionary Approval of Benefits: Explicitly affirm that the granting of incentives and waivers under Bonus Law are not discretionary. Some jurisdictions are not following the current law, and treat the award of these incentives as discretionary actions, which can significantly slow projects.
- One Application Rule: Clarify that Bonus Law projects receive certainty after their initial application, even if additional permit applications are submitted later in the process. This prevents approved projects being re-ligated at subsequent phases.
- By-right Approval: Require that environmentally friendly infill projects that include affordable homes are approved by-right. Projects with for-sale units would also have map approvals by-right.

SUPPORT

- Circulate Planning (Sponsor)
- SPUR (Co-Sponsor)
- Inner City Law Center (Co-Sponsor)
- San Diego Chamber of Commerce (Co-Sponsor)
- San Diego Housing Commission
- Community HousingWorks
- Serving Seniors
- Council of Infill Builders
- Climate Action Campaign
- California YIMBY
- Bay Area Council
- Habitat For Humanity
- Housing Action Coalition
- The 200 for Homeownership
- Student HOMES Coalition
- CA Building Industry Association
- RideSD

FOR MORE INFORMATION

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