

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

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

**SUBJECT:** Housing development: density bonus

**SUMMARY:** Amends the Density Bonus Law (DBL) to, among other things, require a housing development project that satisfies the requirements related to a California Environmental Quality Act (CEQA) exemption and is eligible for a density bonus, incentives or concessions, and waivers or reductions of development standards for purposes of the DBL and meets other affordability requirements to be a use by right and subject to ministerial review.

**EXISTING LAW:**

1) Pursuant to the DBL:

- a) Requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus and other incentives or concessions, as specified, if the developer agrees to construct specified percentages of units for lower income households or very low-income households, and meets other requirements. (Government Code (GC) 65915 (b)(1))
- b) Provides that the DBL does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Coastal Act), and requires that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the DBL be permitted in a manner consistent with the Coastal Act. (GC 65915 (m))
- c) Requires the review of a housing element for jurisdictions located within a coastal zone to provide an additional analysis of units constructed, demolished, and replaced within three miles of a coastal zone to ensure the affordable housing stock with the coastal zone is being protected and provided. (GC 65588 (d))
- d) Specifies that the granting of a density bonus or incentive or concessions shall not require or be interpreted to require a general plan amendment, local coastal plan (LCP) amendment, zoning change, or other discretionary approval. (GC 65915 (f)(6))

2) Pursuant to the Coastal Act:

- a) Regulates development in the coastal zone and requires a new development to comply with specified requirements. (Public Resources Code (PRC) 30000)
- b) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP). (PRC 30600)

- c) Requires all new development to minimize risks to life and property in areas of high geologic, flood, and fire hazard; assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs; be consistent with requirements imposed by an air pollution control district or the State Air Resources Board as to each particular development; minimize energy consumption and vehicle miles traveled; and, where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses. (PRC 30253 (f))
  - d) Provides that the Legislature finds and declares that it is important for the California Coastal Commission (Commission) to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low- and moderate-income in the coastal zone. (PRC 30604 (g))
- 3) Pursuant to CEQA (PRC 21000 *et seq.*):
- a) Requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for a project, unless the project is exempt from CEQA. (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines.)
  - b) Requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
  - c) Exempts from CEQA any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project if the housing development project meets specified conditions, including, among other things, the project is consistent with the applicable general plan and zoning ordinance, as well as any applicable LCP.
  - d) Provides that, without limiting any other statutory or categorical exemption, CEQA does not apply to any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project, if the housing development project meets all of the specified conditions.
  - e) Pursuant to AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, requires the project to satisfy the requirements specified in GC 65913.4 (a)(6).

**THIS BILL:**

- 1) Provides that a city or county shall comply with DBL if the jurisdiction determines an applicant meets at least one of the affordability criteria that would make a housing development project eligible for a density bonus.

- 2) Requires a project that is eligible for specified incentives and concessions and that also includes units for sale to receive two additional incentives.
- 3) Provides, notwithstanding any other law, that a granting of a waiver or reduction of development standards is not discretionary and does not require a general plan amendment, LCP amendment, zoning change, study, or other discretionary approval or environmental review, as specified.
- 4) Requires “density bonus” to mean an increase in the floor area ratio of the site if an applicant for a density bonus elects to use the maximum floor area ratio of the site for residential use for purposes of calculating the maximum allowable gross residential density.
- 5) Provides that the granting of a density bonus shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 6) Deletes the requirement that residential units be on contiguous sites subject to one development application, as specified, for the purposes of calculating a density bonus.
- 7) Requires the density bonus, incentive, or concession, and waiver or reduction of development standards to be on sites that are the subject of the same housing development.
- 8) Provides that the density bonus, incentive or concession, and waiver or reduction of developments standards to be permitted anywhere in the geographic areas of the same housing development, including areas outside of the areas where the housing units are located.
- 9) Provides that the granting of a concession or incentive shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 10) Requires that a project be a use by right and be ministerially approved if all the following apply:
  - a) The project satisfies standards for the infill housing CEQA exemption under AB 130.
  - b) The project is eligible for a density bonus, as specified.
  - c) The applicant agrees to, and the city or county ensures, the continued affordability of all very low and low-income rental units and very low, low, or moderate income for-sale units, as specified.
- 11) Defines moderate-income to include lower income households, very low-income households, and extremely low-income households.
- 12) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service by this bill.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Density Bonus Law.** California’s DBL was enacted in 1979 to provide housing developers tools to encourage the development of much needed affordable and senior housing. The DBL achieves this by allowing developers to exceed the normal density restrictions when they meet certain criteria. Cities and counties are required to grant a “density bonus,” which is an exceedance of the otherwise allowable project density, if a housing project would include affordable units for one or more of these demographics. The amount of the density bonus is codified as a sliding scale based on the percentage of affordable units provided and the demographics targeted. The law also allows for a 100% density bonus for residential developments that are 100% affordable. In addition to proving a density bonus, the law requires a city or county to provide up to four incentives or concessions to any project that qualifies for a density bonus, depending on the percentage of affordable units provided.
- 2) **Coastal Act.** The Commission administers the Coastal Act and regulates proposed development along the coast and in nearby areas in the coastal zone. Generally, any development activity in the coastal zone requires a coastal development permit from the Commission or local government with a certified LCP. The DBL contains language to avoid conflicts with the Coastal Act by specifically stating that the DBL does not supersede or in any way alter or lessen the effect or application of the Coastal Act and any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled in a manner that is consistent with the Coastal Act.

This bill provides that the granting of a density bonus, the granting of a waiver or reduction of development standards, and the granting of a concession or incentive shall not require or be interpreted to require an LCP amendment, which is declaratory of existing law; LCP amendments are not required under the Coastal Act for density bonuses.

- 3) **CEQA.** Under CEQA, housing development projects may qualify for either statutory exemptions or categorical exemptions established in the CEQA Guidelines.

The CEQA guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations), provide categorical exemptions for classes of projects deemed not to have significant environmental impacts, including small-scale new residential construction (Class 3); infill development (Class 32); and, rehabilitation, conversion, or minor additions to existing housing (Class 1). Categorical exemptions are much broader, and open to interpretation, than statutory exemptions.

AB 130 established a broad new statutory CEQA exemption for housing, centered on qualifying urban infill development projects. The law exempts from CEQA most housing developments—including single-family, multifamily, mixed-use (with at least two-thirds residential), supportive, and transitional housing—located on infill sites in urban areas that are generally consistent with local planning and zoning and not situated on environmentally sensitive, hazardous, or protected lands. The exemption applies to sites up to approximately 20 acres (with smaller limits for certain “builder’s remedy” projects). The intent with AB 130 was to expand and streamline CEQA exemptions for housing by creating a “clean” infill exemption that replaces narrower prior tools and to accelerate housing production in urban areas.

- 4) **Ministerial review.** The critical importance of the DBL is that it restricts a local government's discretion when it comes to providing density bonuses for qualifying residential projects. Specifically, if a developer meets the requirements of GC 65915 by including a certain percentage of affordable units within the project, the city or county *must* award a density bonus.

AB 130 excludes developments located in sensitive habitats, vulnerable to sea level rise, near wetlands, on prime agricultural land, and other specified limitations (GC 65913.4 (a)(6)) from the CEQA exemptions afforded by the bill. The author's intent with this bill is to limit its scope of the covered projects to those that satisfy the requirements in AB 130, as is specified in subdivision (w).

5) **Author's statement:**

California's housing crisis has been decades in the making, but Bonus Law is proof that the right policies work. Over the past five years, Bonus Law has entitled more than 140,000 homes across the state, making it the most utilized and successful housing program currently in law. Still, there's room for improvement as California's APR data shows approx. 25% of housing projects that are eligible for bonus law currently do not use it.

AB 2433, the Affordable Homes Bonus Law, builds on the successes to make the promise of homeownership more obtainable for the people who make our communities work. This bill strengthens the incentives for builders who commit to affordable housing, holds cities accountable to clear timelines, and removes unnecessary barriers that have slowed or blocked good projects for years. When a developer is willing to do the right thing and build homes working families can afford, state law should make that easier.

- 6) **Triple referral.** This bill was approved by the Assembly Housing and Community Development Committee 12-0 on March 25, and approved by the Assembly Local Government Committee 10-0 on April 15.
- 7) **Committee amendments.** The committee may wish to consider amending PRC 65915 (w) to strike "notwithstanding any other law" and replace with "except as provided under (m)" to maintain the harmonization with the Coastal Act.

8) **Related legislation:**

AB 2560 (Alvarez, 2024) provided that any density bonus, concessions, or incentives that a development project applicant is entitled to under the DBL are permitted, to the extent that they do not result in significant adverse impacts to coastal resources and public coastal access and required all local governments in the coastal zone to amend their respective LCPs to harmonize DBL and the Coastal Act. This bill was held in the Senate Appropriations Committee.

AB 1287 (Alvarez), Chapter 755, Statutes of 2023, requires a city, county, or city and county to grant additional density and concessions and incentives if an applicant agrees to include additional low or moderate income units on top of the maximum amount of units

for lower, very low, or moderate income units. As introduced, this bill exempted the DBL from the Coastal Act.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Abundant Housing LA  
Abundant Housing Los Angeles  
Bay Area Council  
California Building Industry Association (CBIA)  
California Housing Defense Fund  
California Yimby  
Circulate Planning & Policy  
Climate Action Campaign  
Community Housingworks  
Council of Infill Builders  
Fieldstead and Company, INC.  
Habitat for Humanity California  
Housing Action Coalition  
Inner City Law Center  
New California Coalition  
Rides  
San Diego Housing Commission  
San Diego Regional Chamber of Commerce  
San Francisco Bay Area Planning and Urban Research Association  
Serving Seniors  
South Pasadena Residents for Responsible Growth  
Spur  
Student Homes Coalition  
The Two Hundred for Homeownership  
Yimby Democrats of San Diego County

### **Opposition**

Azul  
California Cities for Local Control  
California Coastal Protection Network  
Center for Public Environmental Oversight  
Endangered Habitats League  
Environmental Action Committee of West Marin  
Families and Homes San Jose  
Green Foothills  
Mission Street Neighbors  
Neighbors for a Better California  
Neighbors for a Better San Diego  
Planning and Conservation League  
Santa Clara Valley Bird Alliance

Save Lafayette  
State Building & Construction Trades Council of California

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /