

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2433 (Alvarez) – As Amended April 22, 2026

Policy Committee:	Housing and Community Development	Vote:	12 - 0
	Local Government		10 - 0
	Natural Resources		11 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

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

Specifically, this bill:

- 1) Requires a city or county to 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 granting a waiver or reduction of development standards is not discretionary and does not require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval or environmental review, as specified.
- 4) Requires “density bonus” to 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 granting a density bonus is not discretionary and may 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 purpose 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) Requires a density bonus, incentive or concession, and waiver or reduction of development standards 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 is not discretionary and may not require or be interpreted to require environmental review, as specified.

10) Requires a project be a use by right and be ministerially approved if all the following apply:

- a) The project satisfies standards for the infill housing CEQA exemption under AB 130 (Committee on Budget), Chapter 22, Statutes of 2025.
- b) The project is eligible for a density bonus, as specified.
- c) The applicant agrees to, and the city or county ensures, the continued affordability of all very low and low-income rental units and very low, low, or moderate income for-sale units, as specified.

FISCAL EFFECT:

No state costs. Local costs of an unknown amount to local agencies to meet the new density bonus requirements in this bill. These costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover these activities.

COMMENTS:

1) **Purpose.** According to the author:

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

2) **Background.** California's DBL acts as an incentive to encourage housing developers to produce affordable units that can be offered at below market rates. In return for including a certain percentage of affordable units, housing developers may add additional units to their project above the jurisdiction's allowable zoned density for the site ("density bonus"). Any housing development proposing five or more units, including a mixed-income development, may use the provisions of DBL, provided the project meets the affordability and other specified requirements.

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

connection with a project. Local governments must grant requested incentives, concessions, or waivers except under very limited circumstances.

- 3) **Related Legislation.** AB 939 (Schultz), of this legislative session, revises DBL to allow qualifying nonprofit corporations to purchase for-sale units developed under DBL without waiting 180 days. AB 939 is pending in the Senate Housing Committee.

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