SENATE COMMITTEE ON HOUSING
Senator Jesse Arreguín, Chair
2025 - 2026 Regular

Bill No:	AB 2433	**Hearing Date:**	6/24/2026
Author:	Alvarez		
Version:	4/22/2026 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Housing development: density bonus

DIGEST: This bill makes numerous changes to Density Bonus Law (DBL), including establishing a by-right ministerial review process for specified density bonus projects.

ANALYSIS:

Existing law:

1) Requires each city and county to adopt an ordinance that specifies how it will implement state DBL. Requires cities and counties to grant a density bonus when an applicant for a housing development — defined as "five or more units" including mixed-use developments — seeks and agrees to construct a project that will contain at least one of the following:

   a) 10% of the total units of a housing development for lower-income households;
   b) 5% of the total units of a housing development for very low-income households;
   c) A senior citizen housing development or mobile home park;
   d) 10% of the units in a common interest development (CID) for moderate-income households;
   e) 10% of the total units for transitional foster youth, veterans, or persons experiencing homelessness;
   f) 20% of the total units for lower-income students in a student housing development; or
   g) 100% of the units of a housing development for lower-income households, except that 20% of units may be for moderate-income households.

2) Requires a city or county to allow an increase in density on a sliding scale from 20% to 80%, depending on the percentage of units affordable to low- and very

low-income households, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan. Requires the increase in density on a sliding scale for moderate-income for-sale developments from 5% to 50% over the otherwise allowable residential density.

3) Requires a local government to grant an additional density bonus on top of the bonus in 2) if the applicant agrees to include additional rental or for-sale units affordable to very low-income households or moderate-income households.

4) Provides that, upon the developer's request, the local government may not require parking standards greater than the parking ratios specified in DBL.

5) Requires applicants to receive concessions and incentives depending on the percentage of affordable housing included in the proposed development. "Concessions and incentives" means the following:

   a) A reduction in site development standards, or a modification of zoning code requirements, or architectural design requirements, that exceed the minimum building standards, 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, resulting in identifiable and actual cost reductions, to provide for affordable housing costs, as specified;

   b) 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; and,

   c) 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 specified.

6) Provides that the granting of a density bonus, incentive, or concession shall not be interpreted in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

7) Establishes procedures for calculating the maximum allowable residential density, or base density, of the project, for which the bonus is to be calculated based on.

8) Provides that, in no case, may a local government apply any development standard that will have the effect of physically precluding the construction of a development at the densities or with the concessions or incentives permitted by DBL.

9) Provides that, without limiting any other statutory or categorical exemption, California Environmental Quality Act (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.

This bill:

1) Clarifies 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 (project) eligible for a density bonus under DBL as opposed to requiring compliance if the applicant *seeks* a density bonus.

2) Requires a local government, after it is required to notify an applicant for a density bonus whether their application is deemed complete, to provide the applicant with a determination as to whether the project is eligible for a density bonus.

3) Requires two additional concessions and incentives for projects that include for-sale units.

4) Prohibits, notwithstanding any other law, the granting of a waiver or reduction of development standards, concession, or incentives to be discretionary actions, or from requiring a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval or environmental review for purposes of CEQA.

5) Prohibits, notwithstanding any other law, the granting of a density bonus to be discretionary or to require environmental review for purposes of CEQA, in addition to existing prohibitions to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

6) Provides that if an applicant elects to use the maximum floor area ratio (FAR) of the site for residential use for purposes of calculating the maximum allowable gross residential density, "density bonus" also means an increase in the FAR.

7) Permits the density bonus, incentives or concessions, and waivers or reductions of development standards, to be on sites that are the subject of the same housing development. The density bonus shall be permitted anywhere in the geographic are of the same housing development, including areas outside of the areas where the units for the lower-income households are located.

8) 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 (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.

Background

Density bonus law. Given California's high land and construction costs for housing, it is extremely difficult for the private market to provide housing units that are affordable to low- and even moderate-income households. Public subsidy is often required to fill the financial gap on affordable units. DBL allows 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. Allowing more total units permits the developer to spread the cost of the affordable units more broadly over the market-rate units. The idea of DBL is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional subsidy.

Under existing law, if a developer proposes to construct a housing development with a specified percentage of affordable units, the city or county must provide all of the following benefits: a density bonus; incentives or concessions (hereafter referred to as incentives); waiver of any development standards that prevent the developer from utilizing the density bonus or incentives; and reduced parking standards. To qualify for benefits under DBL, a proposed housing development must contain a minimum percentage of affordable housing. If one of these options is met, a developer is entitled to a base increase in density for the project as a whole (referred to as a density bonus) and one regulatory incentive. Under DBL, a developer is entitled to a sliding scale of density bonuses, up to a maximum of 50% of the maximum zoning density and up to four incentives, as specified,

depending on the percentage of affordable housing included in the project. At the low end, a developer receives 20% additional density for 5% very low-income units or 20% density for 10% low-income units. The maximum additional density permitted is 50%, in exchange for 15% very low-income units or 24% low-income units. Additionally, specified 100% affordable housing projects may receive up to an 80% density bonus. The developer also negotiates additional incentives, reduced parking, and design standard waivers, with the local government. This helps developers reduce costs while enabling a local government to determine what changes make the most sense for that site and community.

Comments

1) *Author's statement.* "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 streamlining program in California law according to an April 2026 report by Circulate Planning & Policy. In 2024, nearly half of new California townhouses or apartments were in projects that relied on the density bonus. AB 2433, the Affordable Homeownership Bonus Law, builds on that success by making homeownership more attainable for the people who make our communities work. Specifically, the bill modernizes incentives for builders who commit to affordable housing that's for-sale, holds cities accountable to clear timelines, and removes unnecessary barriers that have slowed or blocked good projects for years. When a homebuilder is willing to do the right thing and build homes working families can afford, state law should not stand in the way. The bill re-affirms existing environmental safeguards that the Legislature adopted in AB 130 (2025) and does not interfere with the Coastal Act. Please join me in making the California dream a reality for more working families. Support the Affordable Homeownership Bonus Law."

2) *Housing streamlining and housing CEQA exemptions.* Cities and counties enact zoning ordinances to implement the housing elements of their general plans. Zoning determines the type of housing that can be built throughout a jurisdiction, and where it can go. In addition, before building new housing, housing developers must obtain approval, in the form of one or more building permits, from local planning and building departments. Housing developments often must also obtain approval from local planning commissions, city councils, and/or boards of supervisors.

   Most housing projects that require discretionary review and approval are subject to review under CEQA, while projects permitted ministerially generally are not. Development opponents can appeal many individual decisions related to the CEQA review to the planning commission and to the city council or

board of supervisors. Litigation, or the threat of litigation, over CEQA approvals is also common. Environmental reviews and other permitting hurdles may pose a hindrance to housing development. The building industry, housing advocates, and even HCD argue that the high cost of building and delays in the local approval process reduce builders' incentives to develop housing.

CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines, for a wide range of residential projects. Since 1978, CEQA has included statutory exemptions for housing. There are now nearly 20 distinct CEQA exemptions for housing projects. Some housing projects can be permitted by city or county planning staff ministerially or without further approval from elected officials. Projects reviewed ministerially (i*.e.,* "by-right" or "streamlined approval") require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meet standards for building quality, health, and safety. Most large housing projects are not allowed ministerial review under local planning codes. Instead, these projects are vetted through both public hearings and administrative review. In addition to bypassing the CEQA process and the potential for litigation, housing streamlining established by the state provides more certainty as to what is required for permitting approval, and generally also requires approval within specified timelines. Additionally, ministerial applications do not require public notice or a public hearing. This certainty and shortened approval timelines are particularly beneficial to affordable housing developers seeking funding from multiple federal, state, and local public funding sources. Some local governments have intentionally made entitlement and permitting onerous to such a degree that developers – and in particular, affordable housing developers – have avoided working in those jurisdictions altogether. Longer, uncertain permitting situations are risky for developers, and can kill projects all together. Ministerial approvals unlocks more land opportunities, particularly in higher-resource cities that may be unfriendly to new housing.

Ministerial approval does not change the underlying zoning established by the local government through their general plan or their housing element. Rather, ministerial approvals impact the timelines and the process by which the developer applies for, and the local government must provide, a development permit.

3) *Specific streamlining and housing CEQA exemptions.* In recent years, the legislature has enacted and strengthened means for housing approvals to be more streamlined. Notably, SB 35 (Wiener, Chapter 366, Statutes of 2017) / SB 423 (Wiener, Chapter 778, Statutes of 2023) established a ministerial approval process for certain multifamily affordable housing projects that are

proposed in local jurisdictions that have not met regional housing needs if the projects meet specific affordability and labor criteria. Other housing types are also subject to streamlining, including, but not limited to, ADUs, duplexes and fourplexes, missing middle housing projects up to 10 units, farmworker housing projects, projects located on land owned by religious institutions, and certain infill projects in commercial zones.

Last year, the Legislature passed and the Governor enacted AB 130 (Committee on Budget), which 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.

4) *Streamlining DBL projects.* This bill would allow density bonus projects that meet the requirements of AB 130 and include the base affordability requirements in DBL to be subject to streamlined, ministerial approval.

   DBL can apply to developments that include a specified amount of affordable units, starting at 5% VLI or 10% LI units. Streamlining bills such as SB 35 (Wiener, Chapter 364, Statutes of 2017) and AB 2011 (Wicks, Chapter 647, Statutes of 2022) that apply to multifamily housing projects over 10 units have required minimum affordability requirements. The affordability standards in those bills are greater than what is authorized in DBL. Additionally, AB 130 requires different labor standards than what is typically required by housing streamlining bills, among other more stringent standards. **In order to create greater parity with existing streamlining bills and the benefits conferred on a developer, the author is proposing to amend the bill to apply streamlining to projects that meet the maximum affordability level in existing DBL (24% LI, 15% VLI, or 44% moderate-income units).**

5) *Discretionary review of DBL benefits.* Density bonus law already provides that the granting of a density bonus shall not, in and of itself, be a discretionary action. This bill would make clear that concessions and incentives and waivers and reductions are also ministerial actions (*i.e.,* not discretionary). The sponsors and stakeholders have shared that some cities have continued to make certain DBL decisions discretionarily, instead ministerially.

   The legislature has taken steps in recent years to facilitate the expeditious review of housing approvals, including changes last year applying timelines in

the Permit Streamlining Act to both discretionary and ministerial permits; and establishing pre- and post-entitlement permitting processes. This bill would seek to clarify that all benefits under DBL are ministerial actions. However, the language in the bill takes a step further and *notwithstands all other laws,* which is a blunt, legal tool to override all other law. Typically, if the Legislature notwithstands something, they point to the specific code section that should be overridden. This prevents unintentionally overriding statutes that were not intended to be overridden.

The author has agreed to strike references to "notwithstanding any other." In this case, without the "notwithstanding any other law" language, the bill would still make clear that all DBL benefits are ministerial actions.

6) *Benefits for everything!* According to the sponsors, local governments have not applied the broad set of DBL benefits to *any* part of a mixed-use housing development project. This can be important for housing developments that have multiple buildings, only some of which actually have residential units, or larger, multi-phased developments. The sponsors pointed to two recent TA letters from HCD that state that DBL benefits apply to other parts of a multiphase project, not just the housing component. One project was a 47-acre project with several components including a stadium, thousands of housing units, parks, and a multimodal circulation network. Both HCD letters concluded that DBL benefits applied to the non-housing components; however, the letters also pointed out that the basis for this conclusion was that the projects were entitled as part of a single project application, proposed by a single project developer, and would encompass the whole site. Additionally, HCD noted assurances were in place for both projects to ensure that the applicants would develop the affordable units. One project was subject to the Surplus Lands Act (SLA); as such, there were clearly defined affordable housing commitments between the developer and the City and the affordability provisions were memorialized in various agreements with phasing plans and specific timelines for constructing the affordable housing. The other project developer received conditional approval from the local government, and was required to develop a percentage of affordable units first before moving forward with other parts of the development.

   The author has agreed to amendments that would clarify that the benefits apply to housing development projects (*i.e.,* mixed-use projects) put forward by either a housing development project on one site and developed by a single developer or for a multi-phased project, the applicant has provided reasonable documentation to establish the fiscal interconnectedness of the project components. Additionally, the project

shall enter into an enforceable legal commitment to develop affordable units prior to the completion of all phases of the development.

7) *More benefits for for-sale projects.* This bill would grant an additional two concessions or incentives to projects that offer units for sale. According to the sponsors, the purpose of adding more incentives for for-sale projects is not specifically because they are unique or that they tend to require more incentives. The purpose of adding more incentives for for-sale project is to create new "general incentives" for projects to choose to make their units available for-sale. The sponsors do not have specific reasons why for sale projects are more expensive or difficult to construct than rentals. Instead, they point to some DBL projects that requested additional concessions and incentives but were not granted them.

   Typically, when the Legislature grants additional concessions and incentives in DBL, it has been in concert with broader reform discussions that contemplate changes to the levels of affordability and the overall benefits available to a developer. This bill does not increase the affordability levels required by DBL projects in exchange for these additional concessions or incentives.

8) *Opposition.* According to the State Building and Construction Trades Council, they are opposed to this bill because it would "increase exemptions from development standards and eliminate environmental and public health safeguards for qualifying projects, without requiring any additional affordable housing than existing law. Unlike other housing streamlining laws, AB 2433 includes no labor standards and no protections for existing local labor standards." They are also opposed to the because it "mandates additional incentives to developers of housing projects which meet existing Density Bonus Law home-sale affordability levels without increasing affordability; allows incentives, concessions and waivers to be used in non-residential portions of a project site and away from the low-income housing; and prohibits local agencies from amending their general plans, local coastal plans, or zoning codes to accommodate resulting inconsistencies in development standards or zoning."

9) *Triple referral.* This bill will first be heard in Local Government Committee on June 23rd. Should this bill pass out of this committee it will next be heard by the Environmental Quality Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June, 17th, 2026 .)

SUPPORT:

Abundant Housing Los Angeles
Bay Area Council
California Hispanic Chambers of Commerce
California Yimby
Cbia
Circulate Planning & Policy
Fieldstead and Company, INC.
Habitat for Humanity California
Housing Action Coalition
Inner City Law Center
New California Coalition
San Diego Housing Commission
Spur
Student Homes Coalition
The Two Hundred for Homeownership

OPPOSITION:

City of Carlsbad
Marin County Council of Mayors and Councilmembers
Save Lafayette
State Building & Construction Trades Council of California
Town of Truckee

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