

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2480 (Ávila Fariás) – As Amended April 7, 2026

SUBJECT: Housing development: density bonus: student housing developments

SUMMARY: Requires a local government to provide an additional density bonus for student housing developments that meet a minimum affordability threshold and provide additional units for moderate-income students. Specifically, **this bill:**

- 1) Defines “moderate income student” as a student who is not claimed as a dependent on a parent’s or guardian’s federal or state income tax returns, and whose income does not exceed 120% of the area median income (AMI), as published by the California Tax Credit Allocation Committee (TCAC), for the area in which the student housing development is located.
- 2) Establishes the following rental limits for student housing developments in DBL:
 - a) For lower income students, the rent shall not exceed the following:
 - i) For an efficiency or one-bedroom unit: 65% of area median income (AMI) rent limit for the appropriate unit size, as established by the California Tax Credit Allocation Committee (TCAC); and
 - ii) For two-bedroom or larger units: 80% AMI rent limit for the appropriate unit size as established by TCAC, divided by the number of bedrooms. If bedrooms will be shared, the per bed rent limit shall be 75% of the per-bedroom rent limit.
 - b) For moderate income students, the rent shall not exceed the following:
 - i) For an efficiency or one-bedroom unit: 100% AMI rent limit for the appropriate unit size, as established by TCAC; and
 - ii) For two-bedroom or larger units: 120% of the AMI rent limit for the appropriate unit size, as established by TCAC, divided by the number of bedrooms. If bedrooms will be shared, the per-bed limit shall be 75% of the per-bedroom limit.
- 3) Requires local governments to grant an additional density bonus, provided that the resulting student housing development would not restrict more than 50% of the total units to moderate-income or lower income students, subject to the following requirements:
 - a) The student housing development provides 24% of the total units for lower-income students;
 - b) The student housing development meets existing statutory requirements pertaining to DBL student housing developments, including requirements of student occupancy, affordability, priority for students experiencing homelessness, and a 55-year affordability restriction;

- c) The student housing development is located in a campus development zone (CDZ), generally a ½ mile radius around a California Community College (CCC), California State University (CSU), or University of California (UC);
 - d) The student housing development is not located on a site identified in the city or county's housing element as suitable for the development of units for lower-income households; and
 - e) The applicant agrees to include additional rental units to lower- and moderate-income students.
- 4) Requires the additional bonus in 3), above, to be calculated as follows:
- a) If the student housing development provides at least 5%, and at most 10%, additional very low income (VLI) units, a bonus ranging from 20%-38.75%; and
 - b) If the student housing development provides at least 5%, and at most 15%, moderate-income units, a bonus ranging from 20%-50%.

EXISTING LAW:

- 1) Establishes DBL, which requires local governments to grant a density bonus when an applicant for a housing development, defined as a development containing “five or more residential 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. (Government Code (GOV) 65915)
- 2) Requires local governments to grant a density bonus ranging from 20% to 50% for rental developments that include a minimum percentage of units affordable to very low-, low-, or moderate-income households, with the bonus increasing on a sliding scale based on the level of affordability provided. For 100% affordable rental developments, the law provides a bonus of up to 80%, along with additional incentives such as increased height limits, reduced parking requirements, and modified development standards if the project is located within ½ mile of a major transit stop or in a low vehicle miles traveled (VMT) area. In certain cases,

100% affordable projects in qualifying areas may be allowed unlimited density. (GOV 65915)

- 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 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. (GOV 65915)
- 5) 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. (GOV 65915)
- 6) 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. (GOV 65915)
- 7) Establishes Campus Development Zones (CDZ) within a ½ mile radius of a University of California (UC), California State University (CSU), and a California Community College (CCC). (GOV 65912.101)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, “As you know, our state is facing an extreme housing crisis, and students are not immune. The vast majority of California’s college students rely on a limited number of unaffordable and inaccessible off-campus housing units. Despite the immense community benefit low-income and moderate student housing provides, new housing projects near colleges are often difficult to build. Not to mention, for most affordable housing projects to pencil out, developers need financing mechanisms offered by federal, state and local governments in order to fill the gap.

AB 2480 would harmonize the Student Housing Density Bonus with super density bonus, allowing additional density increases for developments that serve both low-income and moderate-income students. This would allow student developments that have maxed out their low-income density bonus to receive a super density bonus as long as the developer reserves those additional units for moderate income students.”

Student Housing Need: California’s housing crisis is a half-century in the making.¹ After decades of underproduction, supply is far behind need, and housing costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.

¹ California Department of Housing and Community Development, *A Home for Every Californian: 2022 Statewide Housing Plan*. March 2022, <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

One in three households in the state doesn't earn enough money to meet their basic needs. In 2024, over 187,000 Californians experienced homelessness on a given night.²

To meet this housing need, the Department of Housing and Community Development (HCD) determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA). By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.³

A recent report from the Public Policy Institute of California (PPIC) shows that students spend more on housing than tuition while attending public university.⁴ While public colleges have made significant efforts to house students on campus in recent years, the vast majority of California's college students still rely on a limited number of increasingly unaffordable and inaccessible off-campus housing units available through the private market. While public universities are not required to obtain approval to build student housing on their own land, so long as they have a master plan in place, private developers building housing near college campuses must undergo an often lengthy and costly approval process. Furthermore, student housing need is not accounted for in the RHNA process by HCD, so Californians attending university may be underserved by our current production pipeline.

According to a 2023 survey from the California Student Aid Commission, a majority of California college students experience rent burdens and housing insecurity due to high housing costs.⁵ Nearly 24% of CCC, 11% of CSU, and 8% of UC students are unable to keep up with the high cost of housing and fall into homelessness in a given year.⁶ The largest representative study of homelessness since the 1990s found that the most common reason for leaseholders leaving their last housing was economic.⁷

Density Bonus Law: California's DBL, originally enacted in 1979, is a key state policy tool aimed at addressing the financial challenges of building affordable housing, particularly in high-cost markets. Given the state's elevated land and construction costs, the private market struggles to deliver housing that is affordable to low- and moderate-income households without public subsidy. An analysis by the California Housing Partnership compares the cost of market rate developments with the median cost of developing affordable rental homes. In the four regions analyzed, the study found that the cost of developing one unit of affordable housing ranged from approximately \$480,000 to \$713,000, while the cost of developing one unit of market rate housing in the state ranged from approximately \$508,000 to \$637,000.⁸ The increased cost for

² U.S. Department of Housing and Urban Development, Point in Time Counts.

<https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

³ <https://www.hcd.ca.gov/policy-research/housing-challenges.shtml>

⁴ [https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20\(Figure%201\).](https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20(Figure%201).)

⁵ https://www.csac.ca.gov/sites/main/files/file-attachments/food_and_housing_basic_needs_survey_2023.pdf?1700100691&utm_medium=email&utm_source=ActiveCampaign&utm_medium=email&utm_content=California+Democrats+gather+to+pick+favorites+-+and+party&utm_campaign=WhatMatters

⁶ <https://lao.ca.gov/reports/2024/4898/Update-on-Student-Housing-Assistance-050724.pdf>

⁷ <https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness>

⁸ Mark Stivers, *Affordable Housing Compares Favorably to Market-Rate Housing From a Cost Perspective*, California Housing Partnership, January 2024: <https://chpc.net/affordable-housing-compares-favorably-to-market->

the deed-restricted affordable units can be attributed, in part, to the difficulty associated with assembling a capital stack for affordable housing development, the complex regulations that these affordable units must comply with, and the added cost of labor requirements tied to certain public funding sources used by affordable housing developers.

DBL seeks to close some of the financial gaps associated with building affordable housing by allowing developers to build more units than local zoning laws typically permit, known as a “density bonus,” in exchange for reserving a certain percentage of the housing units as affordable. This increased density enables the fixed costs of development to be spread across more units, thereby helping to offset the lower returns from the affordable units and reducing the need for direct public subsidy. Under current law, any housing development proposing five or more units, including mixed-income developments, can take advantage of the provisions of DBL.

To qualify for a density bonus, a project must include one of several affordability options, including providing units for lower-income, very low-income, or moderate-income households, or targeting specific populations such as seniors, transition-age foster youth, disabled veterans, or lower-income college students. All affordable rental units built under DBL must be deed-restricted for at least 55 years to ensure long-term affordability. Local governments are required to adopt a local ordinance implementing DBL. However, even if a local government has not formally adopted a density bonus ordinance, it is still legally obligated to comply with state law and grant the bonuses and concessions to qualifying projects as requested by developers.

Under DBL, when a mixed-income housing development includes a minimum percentage of affordable units, such as 5% very low-income or 10% lower-income, it becomes eligible for a density bonus for additional market-rate units starting at 20%, with the potential to increase up to 50%, depending on the proportion of affordable units provided. Fully affordable projects can qualify for up to an 80% density bonus, or unlimited density if located within ½ mile of a major transit stop, or in a very low vehicle travel area. Furthermore, DBL provides an additional density bonus on top of the typical density bonus for proposed developments that provides very-low or moderate-income units, if certain affordability thresholds are met.

In addition to the density bonus, eligible projects are entitled to receive between one and five regulatory incentives or concessions, depending on the share of affordable housing units provided. These may include modifications to development standards such as reduced setbacks, increased building height, higher floor area ratios (FAR), or reduced parking requirements, when those changes result in actual and identifiable cost savings that help support the affordable units. Because DBL applies to mixed-use developments, a project may also receive incentives or concessions for increased intensity or expanded nonresidential uses if doing so would reduce the overall cost of development. Projects can also request other zoning or regulatory modifications that reduce development costs, and local governments must grant those incentives, unless they can make specific findings to deny them as narrowly defined in state law. Developers maintain that these incentives and concessions are critical for making affordable housing projects financially feasible.

In practice, DBL plays a critical role in the state’s housing strategy, both by reducing development costs and by increasing the overall supply of housing at all income levels, particularly in communities that might otherwise see little affordable housing development. By leveraging regulatory flexibility instead of direct public funding, DBL offers a cost-effective mechanism to stimulate the production of both mixed-income and 100% affordable housing projects throughout California. According to Annual Progress Report (APR) data, published by HCD and analyzed by Circulate Planning & Policy, since 2021, DBL has been used to approve over 140,000 homes, including more than 69,000 deed-restricted affordable homes.⁹

Student Housing Legislation: In recent years, the Legislature has made targeted amendments to the DBL to explicitly facilitate student housing production, which historically did not fit neatly within standard affordability and occupancy frameworks. SB 290 (Skinner) Chapter 340, Statutes of 2021 provided that student housing developments providing at least 20% of units for lower-income students are eligible not only for a density bonus, but also for incentives and concessions, specifically guaranteeing at least one concession at that threshold.

Subsequent legislation has focused on expanding the usability and financial feasibility of DBL for student-oriented projects. AB 1287 (Alvarez), Chapter 755, Statutes of 2023, added an additional, “stackable” density bonus tier and an additional incentive/concession for projects that exceed existing DBL affordability thresholds. Under AB 1287, a project must first qualify for the maximum base density bonus by meeting existing thresholds, such as providing 15% very low-income units, 24% low-income units, or 44% moderate-income units in for-sale projects, and may then receive an additional density bonus of up to 50% by providing additional very low-income or moderate-income units beyond those thresholds.

AB 3116 (Garcia, 2024) further restructured DBL by replacing fixed bonus thresholds with a sliding scale tied more directly to the percentage and depth of affordable units, and, critically, removed the requirement that student housing projects be master leased or operated by a college or university. This change addressed a key constraint in prior law, allowing student housing developments to qualify for DBL incentives without requiring direct institutional participation, thereby broadening the range of developers able to deliver student housing while maintaining affordability requirements tied to student populations.

Separately, AB 893 (Fong) extends the state’s recent use-by-right housing framework to student housing by applying an AB 2011 (Wicks), Chapter 647, Statutes of 2022–style ministerial approval process to qualifying developments located within designated “campus development zones,” defined as areas within one-half mile of a California Community College, California State University, or University of California campus. Within these zones, qualifying student housing projects may be approved ministerially (without discretionary review or CEQA) if they meet specified affordability, labor, and site standards. In contrast to the DBL changes described above, which operate by increasing development capacity through incentives, AB 893 primarily addresses entitlement risk and timing, seeking to facilitate student housing production in campus-adjacent areas by reducing approval uncertainty while maintaining existing exclusions for environmentally sensitive sites and protected housing.

⁹ Circulate Planning & Policy, *Win-Win Bonus, How Bonus Law quietly transformed California’s Housing Approvals*, April 2026.

“Stackable” DBL: AB 1287 (Alvarez), Chapter 755, Statutes of 2023, added an additional, “stackable” density bonus tier and an additional incentive/concession for projects that exceed existing DBL affordability thresholds. However, this additional bonus is structured around the existing DBL affordability categories, particularly very low-, low-, and moderate-income units as defined for traditional rental and for-sale housing. Student housing developments, as authorized under DBL, are instead governed by a separate framework that requires units to be restricted to lower-income students and priced using student-specific affordability assumptions (e.g., per-bed rents tied to a lower-income standard), and do not align with the statutory categories used to qualify for the additional AB 1287 bonus. As a result, student housing developments are generally unable to utilize the additional density bonus and concession created by AB 1287, even if they provide deeper levels of affordability, because the law does not clearly map the student housing provisions onto the new bonus thresholds.

This Bill: This bill would expand the “stackable” DBL provisions created by AB 1287 to student housing developments. It would establish an additional density bonus specifically for student housing developments that include both lower-income and moderate-income students, and that exceed existing statutory affordability thresholds. It defines “moderate-income student” as a student who is not claimed as a dependent and whose income does not exceed 120% of AMI, and establishes rent limits for both lower- and moderate-income student units based on TCAC standards, including per-bedroom and per-bed calculations for shared housing configurations.

This bill requires a local government to grant an additional density bonus, on top of the existing statutory density bonus requirements, for qualifying student housing developments that provide at least 24% of units for lower-income students and include additional units affordable to lower- or moderate-income students, provided that no more than 50% of the total units are restricted to those income levels. To qualify, developments must meet existing statutory requirements applicable to student housing under the DBL, including student occupancy restrictions, affordability requirements, and a 55-year affordability covenant. For a student housing development to be eligible for this stackable bonus, it must be located within a CDZ, which is the area within a ½ mile radius of a California Community College, California State University, and University of California, and cannot be located on sites identified in the local housing element for lower-income housing.

Finally, this bill establishes a sliding-scale framework for calculating the additional density bonus that student housing developments can receive if they include additional moderate-income or VLI units, allowing projects to receive between 20% and 50% additional density depending on the extent to which they exceed baseline affordability requirements. This additional bonus is cumulative with existing density bonus provisions, effectively allowing qualifying student housing developments to achieve significantly higher overall densities in exchange for deeper or broader affordability targeting within student populations.

Policy Considerations: Very Low Income. This bill would allow student housing developments to access the stackable density bonus if they meet a baseline lower-income unit threshold, and then provide additional moderate-income or VLI units. However, VLI student housing units are not defined in existing statute or this proposed bill. The Committee may wish to consider removing reference to VLI student housing units, and instead focus this bill on the newly-defined moderate-income provisions.

Arguments in Support: The Student Homes Coalition, one of this bill’s sponsors, writes in support: “Many of California’s existing tools for addressing the housing crisis were not designed to address student homelessness and housing insecurity. Students are expressly prohibited from accessing most deed-restricted affordable units, and financial aid programs rarely cover the student’s cost of living. AB 2480 will help fill the gap between affordable housing and student housing by allowing developers to use the super density to build affordable units for students. By building on affordable housing programs that have been proven effective, this bill will create a truly viable pathway for low and moderate income student housing to get built across California.”

Arguments in Opposition: None on file.

Committee Amendments: The Committee may wish to consider the following amendment:

- 1) Removing reference to the stackable bonus for lower-income units, which does not exist in statute, and limiting the ability to access the stackable bonus to student housing developments that include additional moderate-income units.

Related Legislation:

AB 1287 (Alvarez), Chapter 755, Statutes of 2023, added an additional, “stackable” density bonus tier and an additional incentive/concession for projects that exceed existing DBL affordability thresholds.

Double-Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

ASUCD Housing and Transportation Advocacy Committee (Sponsor)
 College Democrats At UC Irvine (Sponsor)
 Davis College Democrats (Sponsor)
 Student Homes At SJSU (Sponsor)
 Student Homes At UCLA (Sponsor)
 Student Homes At UCSB (Sponsor)
 Student Homes At UCSD (Sponsor)
 Student Homes Coalition (Sponsor)
 University Housing Rights Organization At UC Berkeley (Sponsor)
 Urban Studies Student Association (Sponsor)
 YouthBridge Housing (Sponsor)
 California Apartment Association
 Circulate Planning & Policy
 Construction Employers' Association
 GenerationUp, Incorporated

Opposition

None on file.

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