
THIRD READING

Bill No: AB 2480
Author: Ávila Farías (D), et al.
Amended: 8/20/26 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 10-0, 6/16/26

AYES: Arreguín, Seyarto, Cabaldon, Caballero, Cortese, Durazo, Gonzalez,
Grayson, Ochoa Bogh, Padilla

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 74-0, 5/21/26 - See last page for vote

SUBJECT: Housing development: density bonus: student housing
developments

SOURCE: Davis College Democrats
Student Homes At SJSU
Student Homes At UCLA
Student Homes At UCSB
Student Homes Coalition
University Housing Rights Organization At UC Berkeley
Youthbridge Housing

DIGEST: This bill 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.

The Senate Floor Amendments of 8/20/2026 address chaptering issues with AB 2433 (Alvarez) and SB 1383 (Arreguin).

ANALYSIS:

Existing law:

- 1) Requires each city and county to adopt an ordinance that specifies how it will implement state Density Bonus Law (DBL). Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain specified levels of affordable housing.
- 2) Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least 20% of the total units for lower income students in a student housing development that meets specified requirements.

This bill:

- 1) Requires local governments to grant an additional density bonus to a student housing development, provided that 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 for moderate-income students.
- 2) Requires the additional bonus to be calculated as follows:
 - a) If the student housing development provides at least 5%, and at most 10%, additional 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%.

Background

DBL. 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 requires local governments to allow affordable housing developers to increase the density of their project and waive expensive design standards, alleviating the need for direct financial subsidy. 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 DBL, 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. Depending on the amount of affordable housing included in the project and the depth of the affordability level, 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% VLI units or 20% density for 10% low-income units. The maximum additional density permitted is 50%, in exchange for 15% VLI 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.* “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 housing developments near college campuses 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.”
- 2) *Student Housing Density Bonus.* SB 1227 (Skinner, Chapter 937, Statutes of 2018), and SB 290 (Skinner, Chapter 340, Statutes of 2021), created a density bonus for developers that include housing for lower-income students in a development. Developers that agree to restrict 20% of the units in a development to lower income students can receive a 35% density bonus and one concession or incentive. To be eligible for the density bonus, developers must provide proof at the time of receiving a certificate of occupancy that they have entered into a master lease with an accredited public or private university, college, or community college to occupy all the units for lower income students in the development. Developers are also required to provide priority for students experiencing homelessness. To meet this standard, a developer can verify with the university or college that student is attending or institution of higher education that the student is experiencing homelessness.

Unlike traditional affordable housing, identifying lower-income students eligible for student housing as permitted under this bill is trickier to calculate. Because many students do not work full-time jobs, on paper they appear to be lower-income. SB 1227 (Skinner) provided that a student's eligibility to receive a Cal Grant shall be used to verify a student's eligibility for lower-income housing. The Cal Grant program identifies income ceilings in statute based upon a student's household income, both for new and renewing participants.

SB 1227 was carefully crafted in a way to create an incentive for the development of desperately needed student housing near university campuses, while not over incentivizing student housing projects to the detriment of desperately needed multifamily housing projects available to the general public.

- 3) *Enhancing DBL for Student Housing.* AB 3116 (Garcia, Chapter 342, Statutes of 2024), made several changes to DBL to increase the incentives for student housing developments. Specifically, that bill expanded the student housing density bonus to allow additional density bonuses for student housing developments for projects with between 21% and 24% of the units affordable to lower income households, with up to a 50% density bonus. AB 3116 also made projects with at least 23% affordable units entitled to two concessions and incentives and no parking requirements for a bedspace, and prohibited student housing projects with a greater than 35% density bonus from being located on a site that requires replacement units.

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 concessions 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 expands the “stackable” DBL provisions created by AB 1287 to student housing developments. Specifically, this bill establishes an additional density bonus specifically for student housing developments that reserve units for both lower-income and moderate-income students. To qualify for the stackable DBL provisions, developments must be located in a campus development zone. 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.

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

SUPPORT: (Verified 8/20/26)

Davis College Democrats (Co-source)
Student Homes At SJSU (Co-source)
Student Homes At UCLA (Co-source)
Student Homes At UCSB (Co-source)
Student Homes Coalition (Co-source)
University Housing Rights Organization At UC Berkeley (Co-source)
Youthbridge Housing (Co-source)
Abundant Housing Los Angeles
California Apartment Association
California Yimby
East Bay Yimby
Eastside Housing for All
Faith and Housing Coalition
Grow the Richmond
Inner City Law Center
Mountain View Yimby
Napa-solano for Everyone
Nextgen California
Northern Neighbors Sf
Peninsula for Everyone
San Francisco Yimby
San Jose Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
South Bay Yimby
The Two Hundred for Homeownership
Ventura County Yimby
Yes! in Redwood City
Yimby Action

Yimby Los Angeles
Yimby Monterey Peninsula
Yimby Slo

OPPOSITION: (Verified 6/20/26)

None received

ASSEMBLY FLOOR: 74-0, 5/21/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Chen, Garcia, Lackey, Ramos, Celeste Rodriguez

Prepared by: Hank Brady / HOUSING / (916) 651-4124
8/24/26 13:48:32

**** **END** ****