CONCURRENCE IN SENATE AMENDMENTS
AB 2480 (Ávila Farías)
As Amended August 20, 2026
Majority vote

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.

Senate Amendments

1) Change the rent formulas that can be charged to students in student housing developments built using DBL.

2) Incorporate chaptering amendments.

COMMENTS

Density Bonus Law: California's DBL, originally enacted in 1979, is a state policy tool aimed at addressing the financial challenges of building affordable housing. 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. 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.

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.[1]

Student Housing Legislation: In recent years, the Legislature has made targeted amendments to 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 California Environmental Quality Act (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

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[1] Circulate Planning & Policy, *Win-Win Bonus, How Bonus Law quietly transformed California's Housing Approvals,* April 2026.

approval uncertainty while maintaining existing exclusions for environmentally sensitive sites and protected housing.

"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 units for moderate-income students, and that exceed existing statutory affordability thresholds.

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 moderate-income students, provided that no more than 50% of the total units are restricted to those income levels. 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.

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."

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.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "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."

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0
YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM LOCAL GOVERNMENT: 10-0-0
YES: Carrillo, Ta, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Hoover, Aguiar-Curry, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa
ABS, ABST OR NV: Arambula

ASSEMBLY FLOOR: 74-0-6
YES: 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
ABS, ABST OR NV: Arambula, Chen, Garcia, Lackey, Ramos, Celeste Rodriguez

UPDATED

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