



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) Provides that upon the request of a developer, a city or county shall not require a vehicular parking ratio, inclusive of disabled and guest parking, that meets the following ratios:
  - a) Zero to one bedroom — one onsite parking space.
  - b) Two to three bedrooms — one and one-half onsite parking spaces.
  - c) Four and more bedrooms — two and one-half parking spaces.
- 4) Notwithstanding (3) above, provides that a city or county shall not impose a parking ratio higher than 0.5 spaces per unit, nor any parking standards, for a project that is:
  - a) Located within one-half mile of a major transit stop and the residents have unobstructed access to the transit stop; or
  - b) A for-rent housing development for individuals who are 62 years or older and the residents have either access to paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.
- 5) Notwithstanding (3) and (4) above, provides that a city or county shall not impose any minimum parking requirement on a housing development that consists solely of rental units for lower income families and the is either a special needs or a supportive housing development.
- 6) Provides that the applicant shall receive the following number of incentives or concessions:
  - a) One incentive or concession for projects that include at least 10% of the total units for moderate-income households, 10% of the total units for lower-income households, or at least 5% for very low-income households.
  - b) Two incentives or concessions for projects that include at least 20% of the total units for moderate-income households, 17% of the total units for lower income households, or least 10% for very low income households.
  - c) Three incentives or concessions for projects that include at least 30% of the total units for moderate-income households 24% of the total units for lower-income households, or at least 15% for very low-income households.

- d) Four incentives or concessions for projects where 100% of the units of a housing development for lower-income households, except that 20% of units may be for moderate-income households, as well as a height increase up to 33 feet if the project is located within one-half mile of a transit stop.
- 7) 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 the following requirements:
- a) All units in the student housing development will be used exclusively for undergraduate, graduate, or professional students enrolled full time at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges.
  - b) The applicable 20% units will be used for lower income students, defined as students that have a household income and asset level that does not exceed Cal Grant A or B award recipients. Eligibility is defined as students with a household income and asset level that does not exceed the level for Cal Grant A or B award recipients. Eligibility shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education at which the student is enrolled or by the California Student Aid Commission that the student receives or is eligible for financial aid from the university, the California Student Aid Commission, or the federal government.
  - c) For purposes of calculating density, the term “unit” means one rental bed and it’s pro rata share of associated common area facilities. The units shall be subject to a recorded affordability restriction of 55 years.
- 8) Requires the development to provide a priority for the applicable affordable units for lower income students experiencing homelessness.
- 9) Requires student housing developments to be granted a 35% density bonus and one concession or incentive.
- 10) Requires a developer to, as a condition of receiving a certificate of occupancy, provide evidence to the city or county that the developer has entered into an operating agreement or master lease with one or more institutions of higher education for the institution or institutions to occupy all units of the student housing development with students from that institution or institutions. Provides that an operating agreement or master lease is not violated or breached

if, in any subsequent year, there are not sufficient students enrolled in an institution of higher education to fill all units of the student housing development.

**This bill:**

- 1) Defines “student housing development” to mean a development that contains bedrooms containing two or more units that have a shared or private bathroom, have access to a shared or private living room and laundry facilities and have access to a shared or private kitchen.
- 2) Provides that, in a student housing development granted specified benefits under density bonus law, the developer shall establish a system for confirming its renters’ status as students to ensure that all units of the student housing development are occupied with students from an institution of higher education.
- 3) Provides that units in student housing units shall not tie any rental bed reserved for lower income students to a specific bedroom.
- 4) Allows 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. Projects with at least 23% affordable units are entitled to two concessions and incentives and no parking requirements for a bedspace.
- 5) Provides that student housing projects with greater than a 35% density bonus shall not be located on a site that would require replacement units.

**COMMENTS:**

- 1) *Author’s statement.* “Students have historically faced significant barriers when it comes to housing. Affordability, location, and even transportation, are all crucial factors a student must take into consideration when deciding where they are going to live for the school year. As the Legislature tackles our state’s affordable housing crisis, we must place an urgent priority on policies to protect our most vulnerable, at-risk populations, like our students.”
- 2) *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 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 and 20% density for 10% low-income units. The maximum additional density permitted is 50%, in exchange for 15% very low-income units and 24% low-income units. 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.

- 3) *Homeless College Students*. According to studies by the Association of Community College Trustees, California State University, and University of California, it is estimated that 762,585 California college students experience housing insecurity or homelessness, including 693,000 (1-in-3) students in California's community college system; 57,000 (1-in-10) students in the California State University system, and 12,585 (1-in-20) students in the University of California system. About one-third of community college students experiencing housing or food insecurity were both working and receiving financial aid, but were not matched by additional support. Homeless community college students were more likely to work low-wage, low-quality jobs, and get less sleep.

- 4) *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.

This bill would build on SB 1227 (Skinner) by allowing additional density for projects with more affordability than what is required in SB 1227 (up to a 50% density bonus). Additionally, as the projects increase in size, a developer would be entitled to up to two concessions and incentives and no parking requirements. Additionally, this bill would permit student housing projects to contain dorm-style housing. Projects that contain dorm style housing, however, would not be permitted to demolish any existing occupied units. This prohibition seeks to limit the potential for displacement of the limited units currently occupied by families and individuals.

- 5) *Double referral*. This bill was also referred to the Local Government Committee.

**RELATED LEGISLATION:**

**SB 1227 (Skinner, Chapter 937, Statutes of 2018)** — required 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, as specified.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 12, 2024.)

**SUPPORT:**

Generation Up (GenUp) (Co-Sponsor)  
University of California Student Association (Co-Sponsor)  
California Apartment Association  
California State University Employees Union (CSUEU)  
Housing Action Coalition  
PowerCA Action

**OPPOSITION:**

None received.

**-- END --**