



# STATE DENSITY BONUS LAW

Government Code §§ 65915, 65914.1, 65915.2, 65915.5

## INTRODUCTION

The State Density Bonus Law (SDBL) is a long-standing feature of state law that provides benefits to developers when they agree to include affordable housing in projects of five or more units. The law has undergone numerous changes over the years, maintaining its status as one of California's most frequently used housing laws. Local jurisdictions must adopt a local density bonus ordinance that meets state requirements. Even without such an ordinance, local agencies must provide developers the benefits to which the law entitles them.

## KEY PROVISIONS

### Privileges of State Density Bonus Law

Under the SDBL, developers are entitled to any or all of the following, at their discretion, if they include the requisite percentage of affordable units in a housing development project: an increase in allowable density, concessions and incentives, waivers or reductions of development standards, and reductions in parking requirements.

### State Density Bonus Eligibility

The percentage of affordable units is calculated off the base project, meaning the total number of units prior to any units added through additional density or other benefits of the law. The base project's density is based on the gross residential density of the parcel(s) that comprise(s) the housing development site and the highest residential density available under the zoning ordinance, specific plan, or land use element of the general plan.

To qualify for benefits under the law, developers must provide at least one of the following:

- ▶ **Very Low-Income.** 5 percent of the units affordable to very low-income households,
- ▶ **Low-Income.** 10 percent of the units affordable to low-income households,
- ▶ **Moderate-Income.** 10 percent of the units affordable to moderate-income households in a for-sale development,
- ▶ **Lower-Income Students.** 20 percent of the "units" affordable to lower-income students in a student housing development (e.g., dorm- or congregate-style buildings where a unit is a bed plus a share of the common facilities), or
- ▶ **Seniors.** A senior housing development or senior mobile home park.

The Housing Law Fact Sheets provide an overview of existing laws which the California Department of Housing and Community Development (HCD) has statutory authority to enforce. The fact sheet does not constitute legal advice but is intended to be a resource for local agencies and decision-makers within California, including members of City Councils, Boards of Supervisors, and Planning Commissions.

## Increase in Allowable Density

If a developer has a project that meets the eligibility requirements, jurisdictions must grant an increase in allowable density. A developer can also request a lesser amount of density increase or no density increase at all. In addition, a jurisdiction may adopt an ordinance that offers additional density beyond what is specified in the SDBL.

### General Projects

For most projects, the allowable density increase is based on a sliding scale depending on the percentage of affordable units included, as follows:

- ▶ **Very Low-Income Projects.** A 20- to 50-percent increase in density for including 5 to 15 percent very low-income units.
- ▶ **Low-Income Projects.** A 20- to 50-percent increase in density for including 10 to 24 percent low-income units.
- ▶ **Moderate-Income For-Sale Projects.** A 5- to 50-percent density increase for including 10 to 44 percent moderate-income units in a for-sale development.

Jurisdictions must also grant an additional “stacking” density bonus based on a sliding scale if a project would not restrict more than 50 percent of the total pre-density bonus units to moderate- or lower-income households and includes additional affordable units, as follows:

- ▶ **Very Low-Income Projects.** An additional 20- to 38.75-percent increase in density for including 5 to 10 percent very low-income units.
- ▶ **Moderate-Income Projects.** An additional 20- to 50-percent increase in density for including 5 to 15 percent moderate-income units (either for-sale or rental).

### Senior and Student Housing Projects

For senior housing projects, the bonus is 20 percent of the number of senior units in the base project. For student housing projects, the bonus ranges from 35 to 50 percent, increasing based on the percentage of affordable student housing units.

### 100 Percent Affordable Housing Projects

For 100 percent affordable housing projects—if the final project, counting both base units and bonus units, will include at least 80 percent (and up to 100 percent) lower-income units and no more than 20-percent moderate-income units—the developer is entitled to a bonus equal to 80 percent of the number of lower-income units in the base project.

If an affordable housing project is located within a half mile of a major transit stop, the jurisdiction may not impose any limits on density (i.e., the developer is entitled to as many additional units as can fit on the project site but may be limited by the local government to no more than three additional stories of building height).

## Concessions or Incentives

The term “concessions and incentives” is defined broadly to include:

- ▶ A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission that result in cost reductions.
- ▶ 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 the non-housing uses are compatible with the housing project and existing or planned development in the area.
- ▶ Any other regulatory incentives or concessions proposed by the developer or the jurisdiction that result in cost reductions.

Jurisdictions are legally obligated to grant requested concessions or incentives (i.e., “shall approve”) unless they find, based on substantial evidence, that the concession or incentive does not reduce costs; would have a specific, adverse impact on public health and safety or a historical resource in a way that cannot be mitigated; or is against state or federal law.

Developers using SDBL are entitled to request specific concessions or incentives on a sliding scale as follows:

# of Concessions	Project Affordability
1	At least 5 percent very low-income units, 10 percent low-income units, 10 percent for-sale moderate-income units, or 20 percent lower-income student housing in a student housing project.
2	At least 10 percent very low-income units, 17 percent low-income units, 20 percent for-sale moderate-income units, or 23 percent lower-income student housing in a student housing project.
3	At least 15 percent very low-income units, 24 percent low-income units, or 30 percent for-sale moderate-income units
4	At least 16 percent lower-income units or at least 45 percent for-sale moderate-income units.
5	100 percent affordable.

Jurisdictions cannot limit developers to specific concessions and incentives listed in a local density bonus ordinance. Local density bonus ordinances may have a “menu” of concessions and incentives for developers to choose from, but developers are free to ask for things that are not on that list. Local jurisdictions, however, are not required to grant any concession that would serve to facilitate construction of the portion of a mixed-use development that contains a hotel use. In addition, concessions cannot be used to increase commercial floor area more than 2.5 times the base zone commercial floor area ratio.

## Waivers

In addition to concessions and incentives, developers are entitled to relief from development standards that physically preclude development of the project at the density and with the concessions and incentives allowed under the law, either through a reduction in the standard or through a waiver. For example, setback requirements or height limits may create challenges to accommodating a larger building on a site and may need to be reduced or waived entirely.

Jurisdictions may only deny requests for waivers or reductions of development standards for the same limited reasons as for rejecting a concession or incentive. Affordable housing projects within a half mile of a major transit stop that receive unlimited density are entitled to an additional three stories or 33 feet of height. Applicants that seek unlimited density may request additional waivers or reductions of development standards affecting height beyond the prescribed three additional stories, but the jurisdiction is not required to grant them.

## Reduction in Parking Requirements

Developers are entitled to reductions in parking requirements. Generally, a jurisdiction may not require a density bonus project to include more than the following number of parking spaces:

- ▶ **1 parking space** for studios and 1-bedroom units
- ▶ **1.5 parking spaces** for 2- and 3-bedroom units
- ▶ **2.5 parking spaces** for 4- or more bedroom units

No parking spaces are required for special-needs housing, supportive housing, and senior housing more than a half mile from transit if served by paratransit, or any student housing development.

### Further Reductions in Parking Requirement

- ▶ **0.5 parking space per unit** for projects with at least 20 percent low-income units or 11 percent very low-income units within a half mile of a major transit stop.
- ▶ **0.5 parking space per bedroom** for projects with at least 40 percent moderate-income units within a half mile of a major transit stop.
- ▶ **No parking requirement** for projects within a half mile of a major transit stop in which all units are affordable to lower-income households, including special-needs housing and supportive housing, and senior rental housing. Please note that [Government Code section 65863.2](#) further restricts parking minimum requirements for developments near major transit stops.

## Replacement Requirements

Developers must agree to replace certain units that are demolished in conjunction with the project, or that have been demolished on the project site within the last five years. Replacement units count towards meeting the affordable housing set-aside requirement to qualify for benefits under the law. Units that must be replaced include:

- ▶ Deed-restricted housing affordable to low- and very low-income households
- ▶ Rent-controlled housing
- ▶ Housing that is or was occupied by low- or very low-income households

A replacement unit must be affordable at the same or lower income level as the current occupant of the unit it is replacing, or at the most recent former occupant's income level for vacant or already demolished units. In cases where the income level of current or former occupants is unknown, the replacement obligation is determined by formula.

The majority of rental replacement units will be deed-restricted for at least 55 years to be affordable to either low- or very low-income households. The exception is when the rental unit is replacing a rent-controlled unit that is currently occupied by a household with an income above low-income (i.e., above 80 percent of area median income). In this case, it is up to the jurisdiction to decide whether the developer must replace that unit with a deed-restricted unit affordable to low-income households or with a new rent-controlled unit pursuant to the jurisdiction's rent control ordinance.

If the proposed development is for-sale units, the replacement units must also be for-sale units and must be sold to low-, very low-, or moderate-income households at an affordable price.

Replacement units must be of equivalent size to the units they are replacing. However, when a project is replacing multiple units, the "equivalent size" requirement can be met by replacing the total number of bedrooms across multiple units. For example, a project that has an obligation to replace five three-bedroom units and five one-bedroom units could meet the replacement obligation with 10 two-bedroom units.

## RECENT OPINION FROM ATTORNEY GENERAL'S OFFICE

In April 2025, the Attorney General's Office [issued an opinion](#) that a city or county may not impose its local affordable housing requirements, such as inclusionary zoning, on the density bonus units awarded under SDBL.

## RECENT HCD TECHNICAL ASSISTANCE LETTERS

[City of San Diego](#),  
December 12, 2024

SDBL permits the City to approve the requested incentive and associated waiver or to deny the requested incentive and associated waiver by making a written finding, based on substantial evidence, that the incentive does not result in identifiable and actual cost reductions to provide for affordable housing.

[City of Carlsbad](#),  
February 16, 2024

Accessory dwelling units (ADUs) may count toward the five-unit eligibility criteria for a housing development project, but ADUs do not count for density bonus calculations.

[City of El Cajon](#),  
February 16, 2023

A project may use SDBL on a site with existing units. The existing units may be physically altered or deed restricted to qualify as dependent units. SDBL does not contain

comparability or dispersal requirements. Deed restrictions may float between units.

## LEGISLATIVE HIGHLIGHTS

### Concessions for Commercial Floor Area Ratio

[SB 92](#), Blakespear (2025); amended Gov. Code, § 65915.

Limits the use of concessions that would allow an increase of commercial floor area ratio beyond 2.5 times the current allowed base zone commercial floor area, and jurisdictions are not required to grant any concession that would serve to facilitate hotel or other transient lodging uses that are a part of a mixed-use development.

### Maximum Allowable Residential Density, or Base Density

[AB 1287](#), Alvarez (2023); amended Gov. Code, § 65915.

Increases the incentives or concessions for a 100% lower income project from 4 to 5. Clarifies that the maximum allowable residential density, or base density, is defined as the greatest number of units allowed by the zoning, specific plan, or general plan land use element and any inconsistency between planning documents is irrelevant.

### Parking, Low VMT, Definitions, Thresholds

[AB 2334](#), Wicks (2022); amended Gov. Code, § 65915.

Makes the following changes to SDBL:

- ▶ **Allowances to Low VMT Areas.** Expands the height and density provisions that apply for 100 percent affordable projects within a half mile of a major transit stop to also apply to “very low vehicle travel areas” within designated counties.
- ▶ **No Parking Minimum Parking Requirements for 100% Affordable Developments Under Certain Conditions.** Eliminates minimum parking requirements where 100 percent of the units are for lower-income households within a half mile of a transit stop or the development is for individuals who are 55 years of age or older where the development has paratransit service or access to transit.
- ▶ **Minimum Lot Area and Maximum Allowable Density Definitions.** Includes “minimum lot area per unit” and clarified that the definition of “maximum allowable residential density” is the highest available density in the general plan, zoning code, or specific plan applies regardless of document inconsistencies.
- ▶ **Conditions for 100% Lower Income Developments.** Changes requirements applicable to qualifying developments with 100 percent lower-income developments by allowing the rent to be set at an amount consistent with the maximum rent levels for lower-income households determined by the California Tax Credit

	Allocation Committee. For enforcement of agreements for for-sale units, the local government may defer to the equity sharing recapture provisions.
<b>Imposition of Fees.</b> <a href="#">AB 571</a> , Mayes (2021); amended Gov. Code, § 65915 § 65915.1.	Prohibits a jurisdiction from imposing affordable housing fees (i.e., fees intended to support the development of affordable housing within the jurisdiction) on the affordable units in a density bonus project.
<b>Modifies the Proportions of the Density Bonus.</b> <a href="#">AB 2345</a> , Gonzalez (2020); amended Gov. Code, §§ 65400 and 65915.	Extends the charts that dictate the amount of density a developer gets in exchange for including affordable units to allow up to a 50-percent density bonus. Previously, the tables had stopped at a 35-percent density bonus. Also changes the percentage of affordable units at which a developer is entitled to an additional concession or incentive but did not change the previous statutory maximum of four. Reduces the maximum number of parking spaces a jurisdiction can require for two- and three-bedroom units from 2 to 1.5. Reduces the number of parking spaces a jurisdiction can require for certain projects within a half mile of transit from 0.5 spaces per bedroom to 0.5 spaces per unit.