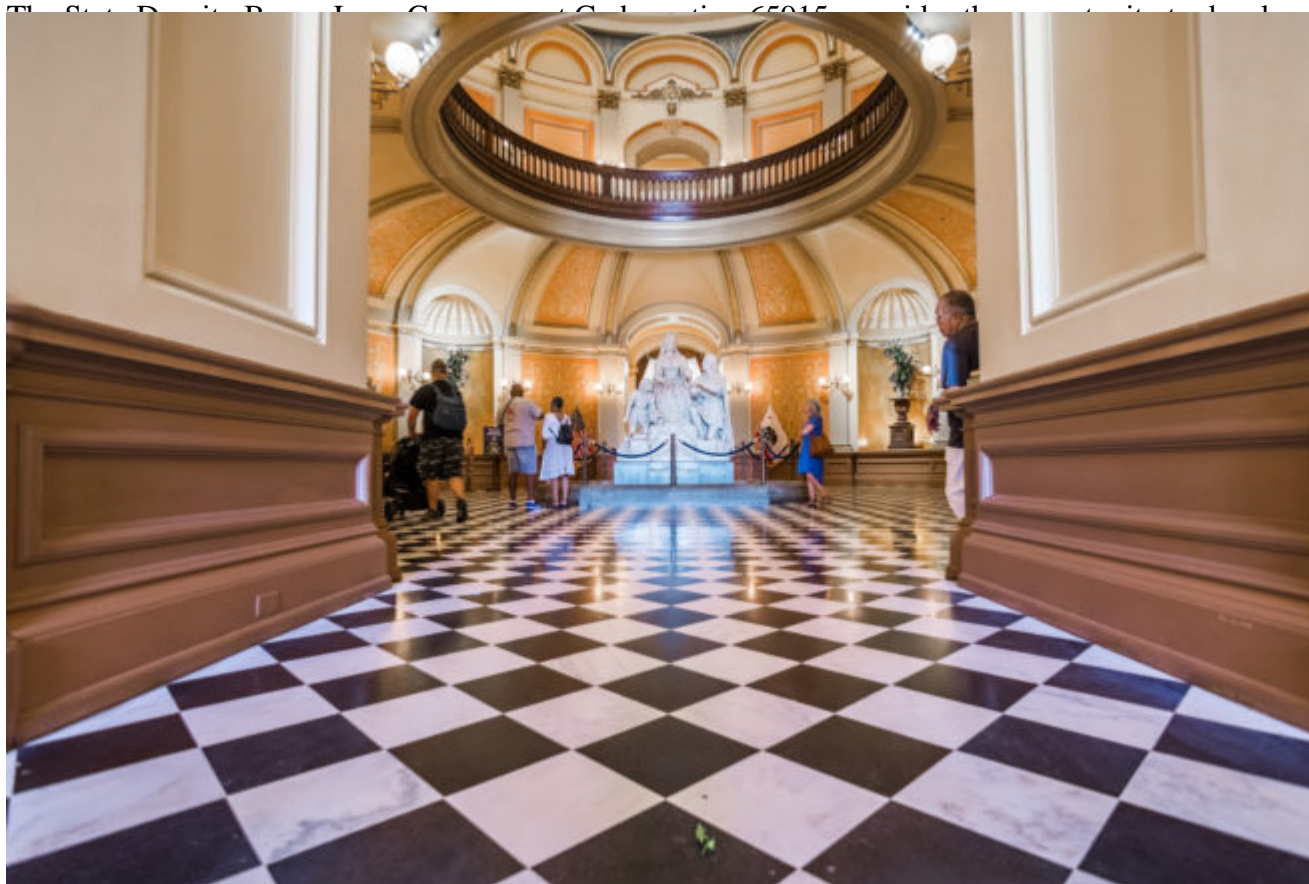


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Maximum State Density Bonus Increases for Primarily Market-Rate Housing Projects under AB 2345



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Under

existing law, a maximum density bonus of 35 percent is available to a project that both complies with "replacement" requirements for any existing dwelling units and restricts at least (1) 20 percent of project units to low-income households, (2) 11 percent of units to very low-income households, or (3) 40 percent of for-sale units to moderate-income households. In other words, a project that achieves any of these affordability levels may include up to 35 percent more units than local law otherwise would allow. All additional units may be offered at market rates. Under AB 2345, which takes effect on January 1, 2021, the maximum available density bonus for projects not composed exclusively of affordable housing will increase from 35 to 50 percent, where additional affordable units are built. To receive the top bonus, a project must comply with unit replacement requirements and set aside at least (1) 24 percent of units for low-income households, (2) 15 percent of units for very low-income households, or (3) 44 percent of for-sale units for moderate-income households. Bonuses between 35 and 50 percent will be granted on a sliding scale, while current affordability requirements to obtain a lesser bonus will remain unchanged. In recent years, an ever-increasing number of housing projects have relied on the Density Bonus Law. The new legislation will enable developers to produce even more market-rate and affordable units under the law.

Authors

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