

AMY J. BODEK, AICP Director, Regional Planning DENNIS SLAVIN Chief Deputy Director, Regional Planning

April 21, 2025

TO: Staff

FROM: Amy J. Bodek, AICP Appedde Director of Regional Planning

STATE DENSITY BONUS LAW - ADDITIONAL DENSITY BONUS AS AN INCENTIVE

On April 1, 2025, the California Department of Housing and Community Development (HCD) provided a letter of technical assistance (Attachment A) regarding the use of incentives to receive additional density under the State Density Bonus Law (SDBL) (<u>Sections 65915-65918</u> of the Government Code). HCD advised that treating density as a modifiable standard through an incentive would allow additional market-rate units without requiring additional affordable units, which is inconsistent with the structure and the intent of the SDBL.

Accordingly, no housing development shall be granted an additional density bonus as an incentive in addition to the density bonus provided in Table 22.120.050-A in <u>Section</u> <u>22.120.050</u> of the County Zoning Code (Title 22).

This memo supersedes any conflicting provisions in Title 22 and shall apply until such time when Title 22 is amended.

If you have any questions regarding this memo, please contact Tina Fung in the Housing Policy Section at (213) 974-6417 or <u>tfung@planning.lacounty.gov</u>.

AJB:CC:ER:TF:JD:ia

Attachment:

- A. HCD letter of technical assistance
- c: County Counsel Development Authority Public Works

04_17_25_AP_M_ STATE DENSITY BONUS LAW - ADDITIONAL DENSITY BONUS AS AN INCENTIVE

320 West Temple Street, Los Angeles, CA 90012 • 213-974-6411 • TDD: 213-617-2292 **213-974-6411** • TDD: 213-617-2292 **213-974-6411** • TDD: 213-617-2292 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT 651 Bannon Street, Suite 400 Sacramento, CA 95811 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



April 1, 2025

Amy Bodek Director of Regional Planning County of Los Angeles Department of Regional Planning 320 West Temple Street Los Angeles, CA 90012

Dear Amy Bodek:

RE: County of Los Angeles – State Density Bonus Law – Letter of Technical Assistance

The County of Los Angeles Department of Regional Planning (County DRP) requested technical assistance from the California Department of Housing and Community Development (HCD) regarding the use of concessions and incentives under the State Density Bonus Law (SDBL).¹ The purpose of this letter is to provide the requested technical assistance.

<u>Question</u>: Must the County grant an applicant's request under the SDBL to use a concession or incentive to receive additional density beyond the bonus density already provided for under the SDBL?

No, the County is not required to grant a concession or incentive for additional density beyond the bonus density already provided for under the SDBL. The purpose of a concession or incentive is generally to give an applicant relief from a development standard or other regulatory requirement, as described in subdivision (d), whereas density bonus calculations are addressed in subdivision (f). The two topics are distinct.

Allowing applicants to use a concession or incentive to receive additional density would effectively allow any project that is eligible for at least one concession or incentive unlimited density. It would also result in density being both used as a yardstick for determining how many affordable units would be required and how many bonus units would be allowed *and* as a standard that is changed using a concession or incentive, resulting in confusion and absurdity.

¹ Gov. Code, § 65915 et. seq.

Amy Bodek, Director of Regional Planning Page 2

Finally, the intent of the SDBL is to allow developers specified amounts of additional density in exchange for providing specified amounts of affordable housing: "The Legislature finds and declares that the intent behind the Density Bonus Law is to allow 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."² (Emphasis added) Allowing a developer to use a concession or incentive to include even more market-rate units without providing additional affordable units runs counter to the Legislature's stated intent.

Conclusion

HCD hopes that this analysis regarding the use of a concession or incentive under the SDBL for more density is helpful to the County. HCD remains committed to supporting the County in facilitating affordable housing, including through use of the SDBL. If you have any questions about the contents of this letter or need additional technical assistance, please contact Stephanie Reyes at <u>stephanie.reyes@hcd.ca.gov</u>.

Sincerely,

Shannan West Housing Accountability Unit Chief

² Gov. Code, § 65915, subd. (u)(1).