

# TOWNSEND

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## MEMO

**To:** City of Cupertino  
Legislative Review Committee

**From:** Townsend Public Affairs, Inc.

**Date:** June 18, 2021

**Subject:** Consider adopting a position on SB 290 (Skinner) Density Bonus Law: qualifications for incentives or concessions: student housing for lower income students: moderate-income persons and families: local government constraints.

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### Bill Information

The official text of SB 290 can be found [here](#)<sup>1</sup>.

### Summary

SB 290 makes various changes to Density Bonus Law (DBL) to expand the types of low and moderate-income housing developments that can benefit from density bonus law by deleting the requirement that units be in a common interest development (CID). Additionally, allows for moderate-income housing developments that meet specific requirements to receive a parking reduction of 0.5 parking spaces per bedroom.

- Repeals the ability of a local government to deny a concession or incentive because of a specific, adverse impact on the physical environment.
- Allows moderate-income housing developments that include 40% moderate income for-sale housing and are within one-half mile of a major transit stop, to receive a parking reduction of 0.5 parking spaces per bedroom.
- Modifies the definition of “total units” in a development project to exclude the number of units added by a density bonus and include the number of units designed to satisfy local exclusionary zoning requirements.
- Makes a student housing development containing at least 20% of the units for lower income students eligible for one incentive or concession.
- Requires a city or county to report to the Department of Housing and Community Development (HCD) the number of units for lower income students that were included in a student housing development for which a developer received a density bonus in its annual progress report.

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB290](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB290)

## Status

SB 290 passed the Senate and has been double referred to the Assembly Committees on Housing and Community Development and Local Government.

## Support

According to the author, "California is facing a massive shortage of affordable housing. One tool to increase the production of affordable homes is the state's Density Bonus Law, which incentivizes developers to build more affordable housing by allowing housing developers to increase the density of a project by up to 50%, depending on the number of affordable housing units being built.

However, flaws in the program result in many cities underutilizing the density bonus tool or not using it at all. According to UC Berkeley's Turner Center for Housing Innovation, less than half of cities and counties have had a development project that used a density bonus, and most jurisdictions have had only one or two projects. SB 290 improves and clarifies the density bonus statute to expand its use in California and increase affordable housing production."

Supporters of SB 290 include: American Planning Association California Chapter, CalChamber, California Association of Realtors, California Building Industry Association, California YIMBY, Habitat for Humanity Greater San Francisco, San Francisco Bay Area Planning and Urban Research Association, Turner Center for Housing Innovation at the University of California, Berkeley

## Opposition

Opponents of this bill cite concerns about the removal of the specified adverse impact on the physical environment from the list of reasons for which a city or county is authorized to refuse a concession. Specifically, that the removal of the provision will result in the development of projects that impact the health and safety of residents, the physical environment, or any real property that is listed in the California Register of Historical Resources.

Moreover, developers might be incentivized to build more moderate-income housing units than low-income units, creating competition between low- and moderate-income renters at a time where many struggle to make ends meet to afford housing.

Opponents of SB 290 include: California Cities for Local Control, Livable California, Pacific Palisades Community Council, Riviera Homeowners Association, and West Torrance Homeowners Association.

## Recommended Action

Adopt an oppose position on SB 290 and authorize the Mayor to send letters to the state legislature