

CITY OF FOSTER CITY DENSITY BONUS LAW

Incentives and Concessions

In addition to the density bonus, the city or county is also required to provide one or more “incentives” or “concessions” to each project which qualifies for a density bonus (except that market rate senior citizen projects with no affordable units, and land donated for very low-income housing, do not appear to be entitled to incentives or concessions).

A concession or incentive is defined as: A reduction in site development standards or a modification of zoning code or architectural design requirements, such as a reduction in setback or minimum square footage requirements; or Approval of mixed-use zoning; or Other regulatory incentives or concessions which actually result in identifiable and actual cost reductions.

The number of required incentives or concessions is based on the percentage of affordable units in the project.

Changes under AB 2345

Effective as of January 1, 2021, Assembly Bill 2345 (“AB 2345”) amends the Density Bonus Law to expand and enhance development incentives for projects with affordable and senior housing components. AB 2345 amends the Density Bonus Law to increase the maximum density bonus from thirty-five percent (35%) to fifty percent (50%) and also reduces the parking ratio requirement for 2-BR/3-BR from 2 spaces to 1.5 spaces.

What is Density Bonus Law?

Density Bonus law provides housing developers with tools to encourage the **development of affordable and senior housing**, including up to a **50% increase in project densities** depending on the amount of affordable housing provided. However, the Density Bonus Law is about more than the density bonus itself. It is a larger package of potential incentives and concessions, such as reduced parking requirements, reduced setback, reduced minimum square footage requirements, and approval of mixed-use zoning, among others.

Source: www.gibsondunn.com

Density Bonus Law for Local Jurisdictions

Density Bonus is a **state mandate**, meaning that a developer who meets the requirements of the state law is entitled to receive the density bonus and other benefits as a matter of right. Consequently, the law also establishes wide ranging requirements for cities and counties regarding the granting of a density bonus and other incentives or concessions to qualifying housing projects, including the possibility of waiving other development standards that would physically prevent a project from being built at the permitted density and with the granted concessions and incentives.

Source: www.gibsondunn.com

Amendments under AB 2345

Maximum Density Bonus Tiers		
	Pre-2021 Density Bonus Law	AB 2345 Amendments
Very Low Income	35% bonus for 11% set aside	50% bonus for 15% set aside
Low Income	35% bonus for 20% set aside	50% bonus for 24% set aside
Moderate Income	35% bonus for 40%* reserve	50% bonus for 44%* reserve
*For-sale units only		

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