



SAN DIEGO  
HOUSING  
COMMISSION

May 13, 2020

Honorable Assemblymember Lorena Gonzalez  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0080

Dear Assemblymember Gonzalez,

Updating California's density bonus law as you have proposed in Assembly Bill (AB) 2345 is a significant step that the San Diego Housing Commission (SDHC) supports to address the continuing housing crisis statewide.

AB 2345 would encourage development of affordable housing units throughout the state by providing development incentives, many of which are currently available to residential developments constructed in the City of San Diego.

The existing California density bonus law requires local jurisdictions to offer additional unit capacity to developers who provide deed-restricted affordable housing units as part of their development. The City of San Diego's Affordable Homes Bonus Program (AHBP) supplements the state's policy, and provides a proven model of how jurisdictions can successfully produce more market-rate and affordable housing units using the enhanced financial incentives in AB 2345, such as allowing developers to build 50 percent more units than otherwise would be permitted by increasing the number of units on-site that will be affordable for households with low income.

In the City of San Diego, in the eight months after the AHBP was adopted in 2016, 18 market-rate developers applied for AHBP. By comparison, in the preceding 12 years, only 36 market-rate developers received a density bonus. The number of units planned for development in the first eight months after AHBP (997) was approximately 453 percent higher per month than the production under density bonus in the previous 12 years, according to an analysis Circulate San Diego conducted.

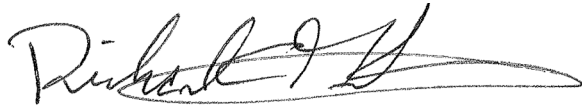
Utilization of AHBP remains high. From October 18, 2018, through May 11, 2020, SDHC has entered into agreements with developers for projects that will produce 2,577 units, of which 578 will be affordable. Among these projects is the Saint Teresa of Calcutta Villa development in San Diego's East Village community, which will provide 403 affordable rental housing units, including 270 specifically to address homelessness.

The City of San Diego's experience demonstrates the positive impact the density bonus incentives in AB 2345 can have in communities throughout the state.

Thank you for your continuing leadership and support of efforts to address the housing crisis.

If you have any questions, please contact me directly at 619-578-7531 or [rickg@sdhc.org](mailto:rickg@sdhc.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Richard C. Gentry", with a long horizontal flourish extending to the right.

Richard C. Gentry  
President & Chief Executive Officer  
San Diego Housing Commission