



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold, M.D., Mayor

September 18, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: AB 323 (Holden) Density Bonus Law: purchase of density bonus units by nonprofit housing organizations: civil actions
City of Beverly Hills – Request for Signature

Dear Governor Newsom,

On behalf of the City of Beverly Hills, I am pleased to write to you to respectfully **request your signature on AB 323 (Holden)**. This bill prohibits developers from offering affordable housing units built in accordance with a density bonus project or under an inclusionary zoning ordinance for sale to a non-income eligible buyer or to a non-owner-occupant, unless the developer can demonstrate no such qualified buyer exists.

Current law establishes density bonus law (DBL), which enables housing development projects to receive a specified increase in allowable density and receive a specified number of incentives or concessions from local governments in return for providing a specified amount of affordable housing.

California is in the middle of an extremely severe housing crisis. To combat this issue, California and localities in the state have enacted numerous laws for developers of housing projects which are meant to increase the availability of affordable housing for low-income Californians. However, there are gaps in these laws, which may allow investors and non-owner-occupants to purchase houses otherwise designated as low-income units for low-income families. These gaps could result in units meant to be owned by low-income families being owned by investors or corporations that then rent out the units, even when there are low-income families qualified to purchase the units themselves.

AB 323 addresses these issues through clarifying provisions relating to DBL and adds provisions to the civil code relating to local "inclusionary zoning" ordinances which specify that for-sale affordable units must be initially sold to and occupied by low-income families. It creates a process and timeline for a local agency to inform a developer about potential low-income buyers of affordable housing units and mandates a developer cannot sell such units to a nonprofit housing corporation unless it proves there are no eligible buyers who qualify to buy the units. AB 323 also would strengthen the

accreditation requirements imposed on non-profits purchasing units which were awarded under DBL.

The City of Beverly Hills recognizes the urgent necessity of this bill to provide housing for low-income families across the entire state and believes AB 323 will ensure the state investment in low-income housing will be used efficiently and effectively. It is for these reasons that the City of Beverly Hills **supports AB 323 (Holden) and respectfully requests your signature on this important legislation.**

Sincerely,

A handwritten signature in black ink, appearing to read "Julian A. Gold". The signature is fluid and cursive, written over a faint, light-colored rectangular stamp or watermark.

Julian A. Gold, M.D.
Mayor, City of Beverly Hills

cc: The Honorable Chris Holden, Assemblymember, 41st District
The Honorable Ben Allen, Senator, 24th District
The Honorable Rick Zbur, Assemblymember, 51st District
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange