

## ORDINANCE NO. 2338

### **BEING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMPBELL AMENDING CHAPTER 21.20 (DENSITY BONUSES AND OTHER HOUSING INCENTIVES) OF THE CAMPBELL MUNICIPAL CODE TO IMPLEMENT ASSEMBLY BILL 1287 (2023) AND ESTABLISH A LOCAL DENSITY BONUS INCENTIVE TO ENCOURAGE THE PRODUCTION OF SMALL-SCALE HOUSING UNITS IN FURTHERANCE OF PROGRAM H-1M OF THE 2023–2031 HOUSING ELEMENT. FILE NO. PLN-2025-135**

After notification and public hearing, as specified by law and after presentation by the Community Development Director, proponents and opponents, the hearing was closed.

After due consideration of all evidence presented, the City Council of the City of Campbell does ordain as follows:

**SECTION 1.** The City Council finds that this ordinance implements Housing Element Program H-1m by incentivizing smaller unit sizes to provide lower-cost housing choices, which specifies that studios and one-bedroom units up to 625 square feet and single-room occupancy units up to 400 square feet be counted as one-half unit for density purposes. This ordinance achieves the same effect by granting one additional unit for each qualifying small unit, thereby encouraging production of smaller, affordable-by-design housing types.

**SECTION 2.** The City Council further finds that this ordinance implements Housing Element Program H-1d by reinforcing the average maximum unit size policy. Program H-1d establishes a 1,250-square-foot average maximum for projects exceeding 45 dwelling units per acre, and this ordinance incorporates that standard by limiting the size of bonus units.

**SECTION 3.** The City Council further finds that Government Code Section 65915(n) authorizes local governments to adopt density bonus provisions that grant greater or proportionately lower density bonuses than those required by state law, and that this ordinance is adopted pursuant to that authority. Nothing in this ordinance is intended to reduce or otherwise constrain the rights afforded by Government Code Sections 65915 through 65918, and that the provisions herein are offered as additional, voluntary local incentives.

**SECTION 4.** The City Council further finds that this ordinance aligns Chapter 21.20 with recent amendments to state density bonus law enacted by Assembly Bill (AB) 1287 (2023), which authorizes an additional “stacked” density bonus for qualifying housing development projects.

**SECTION 5.** The City Council further finds and determines that this ordinance is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.85, which applies to zoning changes implementing the schedule of actions in the City’s adopted Housing Element under Government Code Section 65583(c), and CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that the ordinance will not result in a significant environmental effect because it implements existing State law, AB 1287.

**SECTION 6.** The City Council further finds and determines that the proposed ordinance is consistent with the goals, policies, and actions of the General Plan; would not be detrimental to the public interest, health, safety, convenience, or general welfare of the city; and is internally consistent with other applicable provisions of the Zoning Code.

**SECTION 7.** Section 21.20.020 (Definitions) of the Campbell Municipal Code is hereby amended to add the following definition between the terms "Affordable rent" and "Base units" to read as follows with underlining indicating new text:

"Affordable units" has the same meaning as "target units" in this Chapter.

**SECTION 8.** Section 21.20.020 (Definitions) of the Campbell Municipal Code is hereby amended to add the following definition between the terms "Percentage density bonus" and "Target Units" to read as follows with underlining indicating new text:

"Small-scale housing units" means studio and one-bedroom living units up to six hundred twenty-five (625) square feet of livable area, and single room occupancy (SRO) units up to four hundred (400) square feet of livable area. For the purposes of this definition, "livable area" shall have the same meaning as provided in Section 21.24.030 (Definitions), except that it shall refer to the interior livable area of each individual dwelling unit.

**SECTION 9.** Section 21.20.040.B.1.a. of the Campbell Municipal Code is hereby amended to read as follows with underlining indicating new text and ~~strikeouts~~ indicating deleted text:

- a. Summary table showing the maximum number of dwelling units permitted by the zoning and general plan (~~excluding any density bonus units~~), proposed affordable units by income level, proposed bonus percentage, number of density bonus units proposed, number of small-scale housing units (if applicable), total number of dwelling units proposed on the site, and resulting density in units per acre;

**SECTION 10.** Section 21.20.050.A (Number of units) of the Campbell Municipal Code is hereby amended to read as follows with underlining indicating new text and ~~strikeouts~~ indicating deleted text:

- A. Number of units. In determining the total number of bonus units to be granted, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. When calculating the number of affordable units needed for a given density bonus, any fractions of affordable dwelling units shall be rounded up to the next whole number. Density bonus provided under Government Code Section 65915 and any additional density bonus available under Government Code Section 65915(v) shall each be calculated with reference to the base units, independently of one another, and the resulting bonus amounts combined to determine the total number of allowable density bonus units. Any additional density bonus authorized by this Chapter shall be calculated separately and added to the State density bonus units. ~~The allowable density bonus is computed as follows:~~

~~Step 1. Calculate the percentage that the number of "target units" is of the total base units, rounding up to the next whole number;~~

~~Step 2. Using the percentage calculated in Step 2, identify the corresponding percentage density bonus from California Government Code sections 65915 through 65918;~~

~~Step 3. Determine the number of allowable density bonus units by multiplying the percentage density bonus times the maximum allowable base units, and rounding up to the next whole number.~~

**SECTION 11.** Section 21.20.050.B of the Campbell Municipal Code is hereby amended to read as follows with underlining indicating new text and ~~strikeouts~~ (~~strikeout~~) indicating deleted text:

- B. Each housing development is entitled to only one density bonus, except as provided in Government Code Section 65915(v) or in this Chapter. If a housing development qualifies for a density bonus under more than one income category or additionally for the category of housing to be provided, the applicant shall select the category under which the density bonus is granted. Density bonuses from more than one category may not be combined.

**SECTION 12.** Section 21.20.050 (Calculation) of the Campbell Municipal Code is hereby amended to include a new subsection 'F' with underlining indicating new text:

- F. The number of base units shall be rounded down to the next whole number in accordance with Section 21.02.020.D (Residential density) before adding the number of allowable bonus units. The resulting sum establishes the maximum number of housing units permitted for the housing development project.

**SECTION 13.** Section 21.20.060.B (Local incentives) of the Campbell Municipal Code is hereby amended to include a new subsection '3' with underlining indicating new text:

3. Density bonus for providing small-scale housing units. In accordance with Housing Element Program H-1m and pursuant to Government Code Section 65915(n), housing development projects incorporating small-scale housing units shall receive a local density bonus, as specified herein, when meeting all the requirements of this section.
- a. Project Eligibility. Housing development projects seeking a density bonus for providing small-scale housing units shall satisfy all the following requirements:
- i. Minimum density. The housing development project shall have a minimum base density of 45 dwelling units per gross acre.
  - ii. Average unit size. The average unit size of the housing development project shall not exceed one thousand two hundred fifty (1,250) square feet, consistent with Housing Element Program H-1d. The average unit size shall be calculated based on the livable area of all dwelling units, including bonus units.
  - iii. Affordability. The housing development project shall comply with all applicable requirements of Chapter 21.24 (Inclusionary Housing Ordinance), including distributing the below-market-rate (BMR) units proportionally throughout the entire housing development, inclusive of all density bonus units, consistent with Section 21.24.040.C (Location and distribution of affordable units), except that the density bonus units granted under this subsection shall not themselves be subject to the fifteen percent (15%) affordability requirement.

- iv. Adherence to requirements. The housing development shall not use State Density Bonus Law, or any other State or Federal law, to relieve the project from any of the requirements of this section.
- b. Bonus units. For each one (1) new small-scale housing unit among the base units provided, one (1) density bonus unit shall be granted. The number of bonus units granted pursuant to this subsection shall not exceed the number of base units in the housing development project.
- c. Combination. A density bonus granted under this subsection may be combined with the density bonus authorized by Government Code Section 65915(f), the additional stacked bonus authorized by Section 65915(v), and the density bonus authorized by Section 21.14.070 (Affordable Housing overlay/combining zoning district). Bonus units granted pursuant to this subsection shall not be counted as base units for purposes of State Density Bonus Law or for any other purpose.
- d. Maintenance. Small-scale housing units used to obtain bonus units shall remain configured as such for a minimum of fifty-five (55) years from issuance of certificate of occupancy. The applicant shall record a covenant, in a form approved by the City Attorney, prohibiting unit mergers or enlargements that would exceed the size limits of a small-scale housing unit, as defined by Section 21.20.020 (Definitions), during this period.
- e. Non-waiver. Compliance with the eligibility, bonus, affordability, and unit-size requirements of this subsection is a condition of receiving the local density bonus. No waiver of the provisions of this subsection shall be required pursuant to Government Code Section 65915, and no incentive or concession shall be granted for the purpose of modifying the requirements of this subsection.

**SECTION 14.** The local density bonus established by this ordinance may be exercised by an applicant for any housing development application that was accepted for filing, deemed complete, or the subject of a preliminary application pursuant to Government Code Section 65941.1 before the effective date of this ordinance. The Community Development Director may apply this bonus to an approved housing development application if the conditions of approval authorize administrative adjustments to unit counts consistent with this ordinance, provided no increase to the approved building envelope (height, stories, floor area, or building footprint) is required. Any change to the approved building envelope (height, stories, floor area, or building footprint) shall require an amendment to the approved housing development application by the original decision-making body.

**SECTION 15.** If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 16.** This ordinance shall become effective thirty (30) days following its passage and adoption and shall be published, one time within fifteen (15) days upon passage and adoption in a newspaper of general circulation in the City of Campbell, County of Santa Clara.

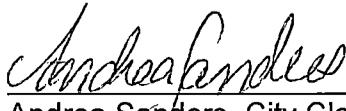
**PASSED AND ADOPTED** this 2nd day of December, 2025 by the following roll call vote:

AYES: Councilmembers: Bybee, Hines, Scozzola, Furtado, Lopez  
NOES: Councilmembers: None  
ABSENT: Councilmembers: None

APPROVED:

  
\_\_\_\_\_  
Sergio Lopez, Mayor

ATTEST:

  
\_\_\_\_\_  
Andrea Sanders, City Clerk