



# DENSITY BONUS IMPLEMENTATION

## Handout

### Introduction

California State Density Bonus Law, [Government Code Section 65915 et. seq.](#), incentivizes developers to include affordable dwelling units within a residential or mixed-use housing project in exchange for an increase in density (i.e. number of dwelling units) over the otherwise “maximum allowable gross residential density” or Base Density. Developers can also request incentives or concessions that may reduce the affordable housing cost and can request waivers or reductions of development standards that preclude or hinder the development of the proposed density bonus project. The amount of the bonus and the number of incentives or concessions for which a project is eligible is determined by the type of unit being constructed, the percentage of affordable units the developer commits to include in the project, the level of affordability, as well as other factors such as a land donation by the developer or inclusion of a childcare facility within the project.

This handout provides information on how to implement State Density bonus law and the city’s Density Bonus Ordinance (§20.40.040), including instruction on how to determine the maximum allowable density for a project site located in a zoning district that does not have a maximum residential density standard (i.e. San Pablo Commercial Corridor).

### Definitions

#### Base Density

The maximum number of units allowed on a housing development site pursuant to the applicable zoning district. Where no density standard is provided, the largest project permissible on the site that is compliant with all applicable development and design standards and building and fire codes and that is substantially consistent with the proposed project (not including waivers/reductions to allow the density bonus and any concessions), as set for in these Administrative Regulations. For purposes of this section, base density and maximum allowable residential density are synonymous.

#### Household Income Limits

State statutory limits are based on federal limits set and periodically revised by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Housing Choice Voucher Program. HUD’s limits are based on surveys of local area median income (AMI). The commonly used income categories are approximately as follows, subject to variations for household size and other factors:

- Acutely low income: 0-15% of AMI
- Extremely low income: 15-30% of AMI
- Very low income: 30% - 50% of AMI
- Lower income: 50% - 80% of AMI; the term may also be used to mean 0% - 80% of AMI
- Moderate income: 80% to 120% of AMI

## Incentives or Concessions

- a. A reduction in site development standards or a modification of zoning code requirements that would otherwise be required that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code Section 65915(c); or
- b. Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located; or
- c. Other regulatory incentives or concessions proposed by the applicant that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code Section 65915(c).

Incentives and concessions are required to provide for affordable housing costs.

## Residential Floor Area (RFA)

All floor area on or above the first or main floor that serves the residential use, such as circulation to areas used by residents, residential amenities (exercise rooms, lounges, secure bicycle parking, etc.), mail rooms, and lobby areas that serve the residential use. RFA does not include inner courts, shaft enclosures, mechanical rooms, or area dedicated to vehicle parking.

## Qualifying Unit

A unit that is provided at an affordable rent or sales price to qualify a project to receive a Density Bonus and/or Waivers or Reductions and/or Incentives and Concessions.

## Density Bonus Eligibility

Housing development projects of five (5) or more residential units meeting the following minimum affordability requirements as set forth in Government Code Section 65915(b)(1) qualify for density bonus. Unless otherwise noted, the percentage of qualifying affordable units excludes any density bonus units.

- 10% of the units for rental or sale to lower-income households
- 5% of the units for rental or sale to very low-income households
- A senior citizen housing development or a senior mobile home park
- 10% of the units for sale to moderate-income households
- 10% of the units for transitional foster youth, disabled veterans, or homeless persons, at low-income rents
- 20% of the total units for lower-income students in a student housing development

- 100% of all units in the development, including density bonus units, but exclusive of a manager's unit or units, for lower income households, except that up to 20% of the units, including density bonus units, may be for moderate-income households.

## Determining Parameters for Density Bonus Projects

There are five main steps in determining the parameters of a density bonus project:

1. Calculate the project site's Base Density.
2. Calculate the eligible Density Bonus.
3. Determine the number of Concessions or Incentives to which the project is entitled.
4. Determine the number of Waivers or Reduction of Development Standards necessary to accommodate the affordable housing development at the density and with the concessions or incentives for which the project is eligible.
5. Submit the Density Bonus project for staff review.

### Step 1. Calculate the Base Density

Density Bonus Law requires a city to grant a density increase over the otherwise maximum gross residential density permitted under the zoning ordinance, specific plan, or land use element of the general plan applicable to the project site. To determine the maximum density standard for a site, look up the site's zoning designation on the [City of Albany Zoning Map](#) and then check the Zoning Code for the zoning district's density standard. The maximum density standard per zoning district can be found in the Table of Site Regulations by Districts, [Table 2A](#) and [Table 2B](#) of The Zoning Ordinance §20.40.020 for residentially zoned and commercially zoned sites, respectively. For purposes of density bonus calculations, all unit counts round up to the next whole number.

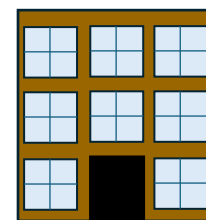
#### Example:

Lot Size = 5,112 sq. ft. | 0.117 acres

Solano Commercial Zoning  
Maximum Density Standard = 63 units  
per acre

Maximum  
Density

$0.117 \times 63 =$   
 $7.3 = 8 \text{ Units}$

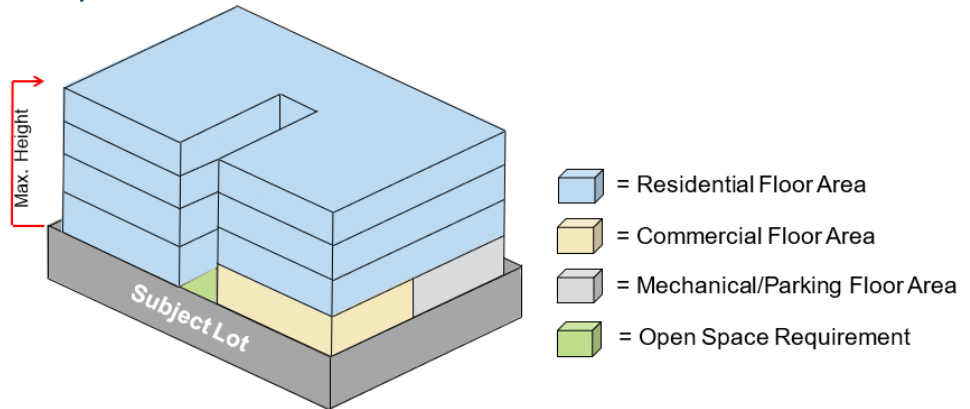


Project sites located in the San Pablo Commercial (SPC) zoning district do not have maximum residential density standards. For these sites, the Base Density will be determined through development of a base project, or the maximum building envelope (i.e. massing) for residential use or Residential Floor Area (RFA) permissible as defined by the applicable objective development and design standards for the project site, including but not limited to floor area ratio (FAR), lot coverage, building height, daylight plan, setbacks, and useable open space.

## Steps to identify the Base Density in the SPC Zoning District:

1. Define the base project for the subject lot. The base project is the maximum permissible RFA possible that complies with all design and development standards of the Zoning Code and Specific Plan as well as complies with building and fire codes.

### Example:



2. Calculate the RFA for the base project.

### Example:



3. Prepare a plan set for the desired proposed project and calculate the total residential floor area (RFA) of this project. [Although this may seem counterintuitive, the number of units in the base project are determined by the average size of the units in the proposed project.]
4. Determine the RFA per unit of the desired project by dividing the RFA by the number of proposed units in the project. Note that the RFA per unit will be larger than the average unit size as the RFA includes all residentially useable space including hallways, amenities and the like.

5. Determine the maximum allowable RFA of a hypothetical base project that the site could accommodate while fully complying with objective development and design standards as well as building and fire codes.
6. The base project must be substantially consistent with the proposed project in terms of similar average unit size, residential amenities, usable open space configuration, ceiling heights, etc. Applicants should review with the Planning staff to determine whether there is substantial consistency between the Base and Proposed Projects.
7. Divide the Base Project RFA by the RFA per unit of the Proposed Project for the maximum number of units in the Base Project. Any fractional unit must be rounded up. The Base Project RFA may need to be adjusted to be compliant with the per unit development standards (e.g. Useable Open Space).

## Step 2. Calculate the Density Bonus

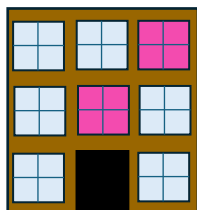
Once the Base Project has been determined, the number of density bonus units can be calculated. In all calculations, all fractional units must be rounded up to the next whole number.

### Steps to calculate the density bonus:

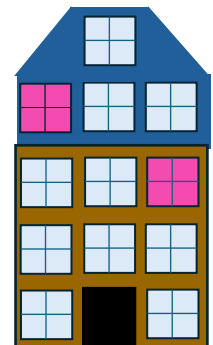
1. Determine the allowable density bonus based on the project type, percentage of the base project units dedicated as affordable (i.e. number of Qualifying Units), as well as any other project attributes or commitments within the project that qualify for a density bonus (e.g. inclusion of a childcare center) as set forth in Government Code Sections 65915 et. seq. Note: if residential units are proposed to be demolished as a part of the project, those units must be replaced with equivalent units at the required affordability levels, as specified in Government Code Section 65915(c)(3).
2. Multiply the number of units in the Base Project by the corresponding percentage density bonus increase for which the project is eligible.
3. Add the calculated density bonus units to the Base Project. The RFA increase in the proposed project should correspond to the unit increase allowed by the density bonus. The result is the maximum number of units allowed in the proposed project. Applicants may elect to include a lesser percentage density increase within the project.

#### Example:

15% VLI  
 $.15 \times 8 =$   
 $1.2 = 2$   
**Affordable  
Units**



Maximum Density = **8 Units**  
+  
50% Bonus = **4 Units**  
  
**= 12 Units Total**



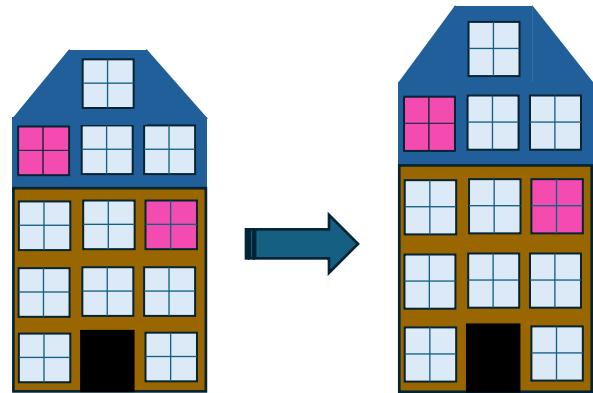
### Step 3. Determine Incentives and Concessions

Density Bonus projects are entitled to a specified number of incentives or concessions as set forth in Government Code Section 65915(d)(2). An eligible housing development retains its entitlement to incentives and concessions regardless of inclusion of bonus units within the development. Applicants must submit a statement listing the incentives or concessions being requested and how each would result in identifiable and actual cost reductions to provide for affordable housing.

#### Example:

##### Common Concessions:

- Parking Reductions
- Useable Open Space Reductions
- Taller Floor to Ceiling Heights
- Allow Residential Units on Ground Floor



### Step 4. Accommodate the Density Bonus Project

A density bonus project is eligible for a waiver or reduction of any development or design standard that physically precludes the construction of the proposed project at the densities or with the concessions or incentives to which the project is entitled. Common waivers include, but are not limited to height, FAR, setbacks, and open space requirements.

Upon project submittal, the applicant must submit a list of waivers requested along with, if requested by Planning staff, any additional documentation needed to demonstrate how the development standards would impede development of the project. The City may not deny any eligible waiver unless it meets the finding of Government Code Section 65915(e)(1), however, the City may negotiate changes to the requested Waivers and Reductions as part of the Design Review process, in coordination with the applicant, in order to address aspects of the project that may be of concern in the community or inconsistent with overarching principles of the General Plan, Zoning Ordinance and Design Guidelines.

### Step 5. Submit the Density Bonus Project for Staff Review

The granting of a density bonus is exempted from discretionary approvals. However, density bonus requests must accompany housing development permit applications and elements of housing development proposals may be subject to discretionary approvals or other procedures set forth in the Zoning Code Section 20.100. For staff to effectively review your density bonus project, submit all documentation as listed in the [Density Bonus Submittal Requirements](#) handout along with the [Planning Application](#) or [Building Permit Application](#) as applicable. Staff strongly encourages submittal of a preapplication review for the Density Bonus project prior to filing the applicable Permit.