



## County of San Diego, Planning & Development Services

# DENSITY BONUS FAQ's

### ZONING DIVISION

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#### California's Density Bonus Law (Government Code Sections 65915 – 65918)

[https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=65915&lawCode=GOV](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915&lawCode=GOV)

is a state mandate that encourages the development of affordable housing by providing developers/applicants with incentives and certain concessions. The law allows developers to exceed the maximum number of dwelling units, depending on the amount and type of below-market-rate homes they provide. Developers/Applicants can also request waivers or reductions of development standards that preclude or hinder the development of the proposed density bonus project or could request other incentives that may reduce the affordable housing costs or could request a parking space reduction as long as it does not negatively affect the public health, safety, environment, or a historical resource.

#### What is a density bonus?

It is a density increase over the otherwise maximum allowable residential density available in zones where multifamily residential are permitted. The amount of the density bonus is based upon the percentage of affordable units proposed at each income level.

Please review the requirements of the density bonus program at Sections 6350 through 6399<sup>1</sup> and the Density Bonus Permit Procedures at Sections 7400 through 7449<sup>2</sup> of the Zoning Ordinance and California Government Code Sections 65915 through 65918, for additional information.

#### What are the initial Density Bonus Program permitting requirements?

Pursuant to Section 7430.a of the Zoning Ordinance, **prior to issuance of a discretionary or building permit, the applicant must obtain a density bonus permit from PDS** (see link below). The density bonus permit requires that the developer/applicant enter into an agreement with the Department of Housing and Community Development Services (HCDS) agreeing to specific terms and conditions of the Density Bonus project and subject to periodic inspections of the housing by County employees to ensure compliance. [https://www.sandiegocounty.gov/content/dam/sdc/pds/zoning/formfields/PDS-PLN-ESUB\\_AD\\_Density\\_Bonus.pdf](https://www.sandiegocounty.gov/content/dam/sdc/pds/zoning/formfields/PDS-PLN-ESUB_AD_Density_Bonus.pdf)

As part of the density bonus permit, you must provide a copy of HCDS's affordable housing agreement to PDS staff before the building permit for the proposed density bonus project can be issued.

#### Why do I need to sign and record a Density Bonus Housing Agreement?

To ensure units retain affordability during the time period of 45 or 55 year (variable per Government Code Sections 65915 – 65918), all density bonus permits will require execution of an affordable housing agreement. The agreement specifies the terms and conditions which apply in exchange for the density bonus. These terms will include the number and type of reserved units, affordability rate and the length of time for which they must be reserved. It also states that the owner must ensure that residents of these reserved units meet eligibility requirements. This agreement is recorded with the County Recorder and is binding on all future owners for the duration of the agreement.

#### How long would it take to complete the Density Bonus Permit and Density Bonus Housing Agreement?

The time it takes to obtain an affordable housing agreement is dependent on project-specific factors. However, once you have received a density bonus approval, finalized the number of affordable units to be included in the project, and initiated the process with HCDS, the process to negotiate and record an affordable housing agreement can be completed within **6 – 10 weeks**.

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<sup>1</sup> <https://www.sandiegocounty.gov/content/dam/sdc/pds/zoning/z6000-REV-09-22.pdf> Page 118

<sup>2</sup> <https://www.sandiegocounty.gov/content/dam/sdc/pds/FTT/7000-wrd-REV-04-22.pdf> Page 59



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## What is a reserved unit?

A reserved unit is an affordable dwelling unit that is reserved for rental or for-sale to a specific type of household. The types of qualifying households are very low, low, or moderate (for-sale units only) income households or senior households.

## How many reserved units do I need to get a density bonus?

Number of reserved units depend on the type of household the reserved unit serves. If the reserved units are for very low-income households, you must reserve at least 5% of the units in your project to be eligible for a bonus. For low and moderate income, the minimum is 10%. For seniors, the minimum is 100%.

## How can I figure out how many bonus units I get?

As you increase the number of reserved units, your density bonus will increase up to a maximum of 50% of your Maximum Allowable Residential Density. To determine the number of units that your project qualifies for, please refer to the Density Bonus Table in California Government Code Sections 65915 through 65918 (please see link below).

[https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=65915&lawCode=GOV](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915&lawCode=GOV)

For additional information, please review the requirements of the density bonus program at Sections 6350 through 6399 and the procedures at Sections 7400 through 7449 of the Zoning Ordinance.

## What is an incentive?

An incentive is a request from the applicant from the County to waive or reduce a development requirement as defined in California Government Code Subsection 65915(k). The number of incentives that may be requested varies with the amount and type of reserved units.

Income Category of Reserved Units	% of Reserved Units		
Very Low Income	5%	10%	15%
Low Income	10%	20%	30%
Moderate Income (Ownership Units Only)	10%	20%	30%
County Affordable Senior Housing Program (Rental Units Only)	--	--	100%
<b>Maximum Number of Incentives</b>	2	3	4

## What incentives are available?

Incentive maybe available, if the proposed incentives do not result in identifiable and actual cost reductions, or would cause a public health, safety or an environmental effect., would harm historical property, or would be contrary to the law. The applicant may request incentives, such as a reduction in setback requirements or a reduction in private open space requirements to make the reserved units feasible. The applicant must demonstrate that each requested incentive results in identifiable, financially sufficient, and actual cost reductions that contribute significantly to the economic feasibility of the reserved units.

## What is a pro-forma?

Financial pro-forma is a form provided by the County that must be submitted as part of the Density Bonus Permit whenever the applicant has requested any incentives. The pro-forma requires financial information which compares the revenue, cost, and income of the project without reserved or bonus units with the revenue, cost, and income of the project with reserved and bonus units and with each requested incentive.



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**Why do I need to do a pro-forma?**

The financial information submitted on the pro-forma demonstrates whether a requested incentive results in identifiable, financially sufficient, and actual cost reductions that contribute significantly to the economic feasibility of the reserved units. The cost of the County's analysis of the pro-forma will be passed on to the applicant.

Income Category Household Income Category of Affordable Units	Reserved Units Minimum % of Base Units that must be Reserved to qualify for Bonus	Bonus		
		Minimum Bonus (% of Base Units)	Additional bonus for each 1% increase in reserved units	Maximum Bonus (% of Base Units)
<b>County Affordable Senior Housing Program (Rental Units Only)</b>				
Very Low Income	100%	50% to a maximum of 45 units/acre*		
Low Income	100%	45% to a maximum of 45 units/acre*		
Moderate Income	100%	40% to a maximum of 45 units/acre*		
Commercial Development with Affordable Housing	Pursuant to Government Code 65915.7	Pursuant to Section 6365		

**What are the requirements applicable to projects that are 100% affordable for lower-income families?**

In accordance with Assembly Bill (AB) 1763 (2019), a project that reserves 100% of its units as affordable for lower income households is eligible to receive a density bonus of 80% of the number of units reserved for lower income households. An applicant may choose to reserve up to 20% of the affordable units for moderate-income households.

AB 1763 also authorizes a project that reserves 100% of its units as affordable for lower income households and is located within 0.5 mile of a major transit stop to request a waiver of maximum controls on density and a height increase of up to three stories, or 33 feet.

Projects that receive a waiver of maximum controls on density cannot receive any reduction or waiver of development standards.

**What is the definition of lower income households?**

“Lower income households” are established by State Law as households earning up to 80% of the Area Median Income (AMI). “Lower income households” include very low-income households and extremely low income households. (See Sections 50105 and 50079.5 of the California Health and Safety Code).

Income Category	Area Median Income (AMI)
Acutely low income	0-15% of AMI
Extremely low income	15-30% of AMI
Very low income	30% to 50% of AMI
Lower income	0% to 80% of AMI



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Please refer to this page to see the current County of San Diego income limits:

<https://www.sandiegocounty.gov/content/sdc/sdhcd/rental-assistance/income-limits-ami.html>

### **Schedule an Initial Consultation meeting to discuss your density bonus project.**

If you have any additional questions regarding the Density Bonus Program/Affordable Housing Program, we would strongly recommend requesting an Initial Consultation Meeting for relatively moderate fee. This will afford you the opportunity to sit down with a planner and discuss the “ins and outs” of your proposed density bonus project and receive a determination about the feasibility of your project up front before you make any major investments in time and money.

The Planner will provide you with basic information ,identify the next steps, and density bonus permit requirements to get the project started.

The IC application package can be found here:

[https://www.sandiegocounty.gov/content/dam/sdc/pds/zoning/formfields/PDS-PLN-ESUB\\_Initial\\_Consult\\_Meeting.pdf](https://www.sandiegocounty.gov/content/dam/sdc/pds/zoning/formfields/PDS-PLN-ESUB_Initial_Consult_Meeting.pdf)