



State Density Bonus Law

INFORMATIONAL PACKET

(Updated September 2024)

GENERAL INFORMATION

BONUS LAW?

California's "State Density Bonus Law" is intended to encourage the development of affordable housing options throughout the state by, among other things, giving residential and mixed-use developments that meet certain affordable housing requirements permission to exceed the otherwise maximum allowable number of residential units (a "density bonus"). Along with density bonuses, the law also requires jurisdictions to grant concessions, incentives, and waivers to development applications meeting a minimum percentage of affordable units.

This informational packet will outline project types eligible for the benefits of this law, the range of density bonuses available, and the number of concessions, incentives, and waivers available. This packet also describes the conditions of approval for Density Bonus applications.

This packet is intended to be a condensed summary of the State Density Bonus Law, and does not provide a comprehensive description of all aspects of the law. The text of this law is nuanced and subject to frequent change. Please review [California Government Code §§ 65915 – 65918](#) for the most up-to-date and detailed language of the provisions outlined below.

WHAT TYPES OF APPLICATIONS ARE ELIGIBLE FOR THE LAW'S BENEFITS?

State Density Bonus Law confers benefits on residential developments (including mixed-used developments) that (i) are comprised of five or more residential units, and (ii) incorporate one or more of the following requirements:

- At least 10% of units will be for rent or sale to lower-income households.
- At least 5% of units will be for rent or sale to very low-income households.
- At least 10% of units will be for sale to moderate-income households, provided all units in the project are offered for sale.
- A Senior Citizen Housing Development¹ including at least 35 units.
- 100% of units will be affordable, with at least 80% of units for rent or sale to lower-income households and up to 20% of units for rent or sale to moderate-income households.
- A Student Housing Development,² in which at least 20% of units will be used for lower-income students.
- At least 10% of units will be for transitional foster youth, disabled veterans, or homeless persons.
- A project that donates land to the City of sufficient size and with all approvals and specifications necessary to be developed with a minimum required number of very low-income units.

¹ "Senior Citizen Housing Development" means a residential project of at least 35 dwelling units developed, substantially rehabilitated, or substantially renovated for occupancy by senior citizens. (Cal. Civ. Code, § 51.3.) Mobile home parks for older persons may also qualify for a density bonus.

² All units in a "Student Housing Development" must be used for undergraduate, graduate, or professional students enrolled full-time at an accredited institution of higher education. The developer must—as a condition of receiving a certificate of occupancy—provide evidence that it has entered into an operating agreement or master lease with one or more institutions of higher education to fill all units with students from that institution or institutions.

DENSITY BONUS

WHAT DENSITY INCREASES ARE AVAILABLE?

Depending on the project type, as set forth below, applicants may either be eligible for:

- a) a range of increased densities based on the percentage of affordable units proposed in their development.

or

- b) a set increase in density based on the type of development being proposed.

When calculating percentages of affordable units, the following rules apply:

- Affordable units intended to satisfy the City’s inclusionary housing requirement shall be counted toward the minimum percentage requirements under the State Density Bonus Law.
- Affordable units added as a density bonus shall **not** be counted toward the minimum percentage requirements under the State Density Bonus Law.
- Manager’s units should be included in the total number of base units when calculating affordable housing percentages. However, if all housing units other than the manager’s unit are affordable, the development shall be deemed 100% affordable.

Further, if a project includes—or in the past five years has included—residential units that are (a) subject to local rent control restrictions, (b) subject to affordability restrictions for lower-income or very-low-income tenants, or (c) occupied by lower-income or very-low-income tenants, the project will only be eligible for a density bonus if it replaces such units with at least the same number of affordable units of equivalent size and at the same levels of affordability.

The tables below set forth the density bonuses available to projects that include a specified percentage of affordable units. As indicated in the following section, projects that receive the maximum density bonuses set forth in the tables below may, in some circumstances, be eligible for additional “stacked” bonuses.

≥10% UNITS FOR RENT OR SALE TO LOWER-INCOME HOUSEHOLDS

Percent Low-Income Units	Percent Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5

Percent Low-Income Units	Percent Density Bonus
18	32
19	33.5
20	35
21	38.75
22	42.5
23	46.25
24	50

≥5% UNITS FOR RENT OR SALE TO VERY LOW-INCOME HOUSEHOLDS

Percent Very Low-Income Units	Percent Density Bonus
5	20
6	22.5
7	25
Percent Very Low-Income Units	Percent Density Bonus
11	35
12	38.75

Percent Very Low-Income Units	Percent Density Bonus
8	27.5
9	30
10	32.5
Percent Very Low-Income Units	Percent Density Bonus
14	46.25
15	50

≥10% UNITS FOR SALE TO MODERATE-INCOME HOUSEHOLDS

Percent Moderate Income Units	Percent Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22

Percent Moderate Income Units	Percent Density Bonus
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35
41	38.75
42	42.5
43	46.25
44	50

“STACKED” BONUSES

In an effort to further incentivize the construction of very low income and moderate income housing, State Density Bonus Law also includes additional bonuses that can be “stacked” on top of existing bonuses. The new “stacked” density bonuses

are only available for housing developments that have already maximized the density bonus available in the tables above by setting aside: (i) 24 percent of the “total units” as lower income units for sale or rent; (ii) 15 percent of the “total units” as “very low income units” for sale or rent; or (iii) 44 percent of the “total units” as “moderate income units” for sale. Note that additional density allowed through “stacking” only applies if the total affordable units do not constitute more than 50 percent of the “total units” in the resulting housing development.

To qualify for the new “stacked” bonuses, housing developments that have maximized existing density bonuses must include specified percentages of additional very low income units (for rent or sale) or additional moderate income units (for sale). The additional “stacked” density bonuses will be awarded as follows:

ADDITIONAL UNITS FOR RENT OR SALE TO VERY LOW-INCOME HOUSEHOLDS

Percent Low-Income Units	Percent “Stacked” Density Bonus
5	20
6	23.75
7	27.5
8	31.25
9	35
10	38.75

ADDITIONAL UNITS FOR SALE TO MODERATE-INCOME HOUSEHOLDS

Percent Moderate-Income Units	Percent “Stacked” Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

State Density Bonus Law allows applicants to mix and match the affordability levels of units used to qualify for existing density bonuses and additional “stacked” bonuses. For instance, a rental development that includes 24 percent of the units for lower income households may be eligible for an additional “stacked” density bonus by including 5 percent of the units as very low income units. Similarly, a for-sale development that includes 24 percent lower income units may be eligible for an additional “stacked” density bonus by including 5 percent of the units as moderate income units. Alternatively, a for-sale development that includes 44 percent moderate income units may be eligible for a “stacked” bonus by including 5 percent of the units as very low income units (or moderate) income units.

SET PERCENTAGE INCREASES IN DENSITY

Type of Project	Increase in the Number of Units
SENIOR CITIZEN HOUSING DEVELOPMENT	20% of the total number of senior housing units
≥10% OF UNITS FOR TRANSITIONAL FOSTER YOUTH, DISABLED VETERANS, OR HOMELESS PERSONS	20% of the total number of transitional foster youth, disabled veterans, or homeless units
STUDENT HOUSING DEVELOPMENT	35% of the total number of student housing units
100% AFFORDABLE UNITS ³	80% of the total number of lower-income units, unless within ½ mile of the Pedley Metrolink station, in which case no max increase in density.

LAND DONATION

Applications that propose a donation of land to the City may also be entitled to an increase in density, subject to the following restrictions:

- The applicant donates and transfers the land no later than the date of City Council approval of the final subdivision map, parcel map, or residential development application.
- The developable acreage and zoning classification of the land being transferred are sufficient to permit the construction of units affordable to very low-income households in an amount not less than **10%** of the number of residential units of the proposed development.
- The transferred land is at least one acre in size or of sufficient size to permit the development of at least 40 units, has the appropriate general plan designation, and is appropriately zoned with appropriate development standards, and is or will be served by adequate public facilities and infrastructure.
- The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low-income housing units on the transferred land, not later than the date of City Council approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review if the design is not reviewed by the local government before the time of transfer.
- The transferred land and the affordable units shall be subject to a deed restriction ensuring the continued affordability of the units, which shall be recorded on the property at the time of the transfer.
- The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.
- The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.
- A proposed source of funding for the very low-income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

If the land donation meets the above criteria, applicants will be eligible for an increase in density in addition to any density bonuses related to the inclusion of affordable units described above, up to a combined maximum of 35%. The amount of the additional density increase will depend on the number of units reserved for very low-income households over the 10 percent minimum threshold, as set forth below:

³ As noted above, a project comprised of 100% affordable project must include at least 80% of units for rent or sale to lower-income households, with up to 20% of units for rent or sale to moderate-income households.

Percent Very Low-Income Units	Percent Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25

Percent Very Low-Income Units	Percent Density Bonus
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

ON-SITE CHILDCARE FACILITIES FOR AFFORDABLE HOUSING PROJECTS

If a proposed affordable housing development includes a childcare facility, the development shall be entitled to either (i) an additional density bonus equal to the square footage of the childcare facility, or (ii) an additional concession/incentive (as discussed below) that contributes significantly to the economic feasibility of the childcare facility. Such a childcare facility must remain in operation for the entire period during which the density bonus units are required to remain affordable, and, of the children attending the childcare facility, the proportion of very low-, low-, and moderate-income children served shall be greater than or equal to the respective minimum required percentages of dwelling units in the project for very low-, low- and moderate-income residents. However, the City shall not be required to provide a density bonus or concession if it finds, based on substantial evidence, that the community already has adequate childcare facilities.

CONCESSIONS AND INCENTIVES, WAIVERS, AND PARKING

CONCESSIONS AND INCENTIVES

In addition to density bonuses, applicants can also request “concessions” or “incentives,” which may include reductions in site development standards, or modifications of zoning code or architectural design requirements. The total number of concessions and incentives available for a development project depends upon the project type and number of affordable units included in the project, as follows:

Number of Concessions and Incentives	Project Requirements
1	≥5% units for very low-income households; or ≥10% units for lower-income households; or ≥10% units for sale to moderate-income households in a development in which the units are for sale; or Student Housing Development where ≥20% of total units are for lower-income students
2	≥10% units for very low-income households; or

≥17% units for lower-income households; or
≥20% units for sale to moderate-income households in a development in which the units are for sale

3

≥15% units for very low-income households; or
≥24% units for lower-income households; or
≥30% units for sale to moderate-income households in a development in which the units are for sale

4

≥16% units for very low-income households; or
≥45% units for sale to moderate-income households in a development in which the units are for sale.

5

Projects comprised of 100% affordable units, with ≥80% of units for rent or sale to lower-income households, and ≤20% of units for rent or sale to moderate-income households*

*These projects are also eligible for a by-right height increase of up to three additional stories, or 33 feet, if they are located within one-half mile of a "Major Transit Stop," or located within a "very low vehicle travel area."

As described above, affordable housing developments that include a childcare facility may also be eligible for an additional incentive or concession that contributes significantly to the economic feasibility of the childcare facility.

Applicants are required to submit reasonable documentation establishing a project's eligibility to receive the requested density bonuses, concessions or incentives, or reduced parking requirements.

Concessions or incentives requested by an applicant must be granted unless the City makes a written finding, based upon substantial evidence, of any of the following:

- The concession or incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs or affordable rents.
- The concession or incentive would have a specific, adverse impact upon public health and safety or on a listed resource of the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.
- The concession or incentive would be contrary to state or federal law.

WAIVERS

Applicants may also request waivers or reductions of development standards⁴ that will **physically preclude** the construction of a qualifying development at the densities or with the concessions or incentives permitted under the State Density Bonus Law. Unlike concessions and incentives, which are aimed at reducing the cost of constructing affordable housing, there is no limit to the number of waivers that can be requested and awarded to remove physical constraints that would physically preclude the construction of an approved project.

⁴ "Development Standards" include, but are not limited to, height limitations, setback requirements, floor area ratios, open-space requirements, lot area requirements, and parking ratios. State Density Bonus Law confirms that the waiver provision applies equally to "development standards" that are adopted by the local agency itself and by the voters through the local initiative or referendum power.

PARKING REQUIREMENTS

Another way the State Density Bonus Law incentivizes the construction of affordable housing units is by allowing the reduction of the minimum number of parking spaces required for Density Bonus projects. Reductions in parking space requirements differ depending on whether a project is within ½ mile of a “Major Transit Stop” (as defined above) and has unobstructed access to such a Major Transit Stop. Currently, the only transit stop within Jurupa Valley that meets the State’s definition of a Major Transit Stop is the Pedley Metrolink Station.

The minimum parking requirements offered by State Density Bonus Law are set forth below. Note that an Applicant may seek additional reductions in parking requirements as part of an award of incentives/concessions or waivers (as discussed above)

AFFORDABILITY RESTRICTIONS

FOR PROJECTS NOT WITHIN ½ MILE OF PEDLEY METROLINK STATION

Number of Bedrooms	Minimum Required Parking Spaces Per Unit*
STUDIO TO ONE BEDROOM	1 space
TWO TO THREE BEDROOMS	1.5 spaces
FOUR OR MORE BEDROOMS	2.5 spaces

*Parking requirements apply to all units in a development receiving Density Bonus benefits. All fractions are rounded up to the next whole number.

FOR PROJECTS WITHIN ½ MILE OF PEDLEY METROLINK STATION

Number of Bedrooms	Minimum Required Parking Spaces Per Unit*
STUDIO TO ONE BEDROOM	1 space
TWO TO THREE BEDROOMS	1.5 spaces
FOUR OR MORE BEDROOMS	2.5 spaces

*Parking requirements apply to all units in a development receiving Density Bonus benefits. All fractions are rounded up to the next whole number.

In addition, the City may not impose **any** minimum parking requirements on the following projects that are comprised of 100% Affordable Units (with ≥ 80% of units for rent or sale to lower-income households, and ≤ 20% of units for rent or sale to moderate-income households), and meet any one of the following requirements:

- The development is located within one-half mile of a Major Transit Stop, and there is unobstructed access to the Major Transit Stop.
- The development is a for-rent housing development for individuals who are 55 years of age or older, and either has paratransit service, or has unobstructed access to a fixed bus route within one-half mile of the development that operates at least 8 times per day.
- The development is either (i) a “Special Needs Housing Development” (as defined in Section 51312 of the Health and Safety Code) with either paratransit service, or unobstructed access to a fixed bus route within one-half mile of the development that operates at least 8 times per day, or (ii) a “Supportive Housing Development” (as defined in Section 50675.14 of the Health and Safety Code).

In order for a development to qualify for a Density Bonus and/or incentives, concessions or waivers, the applicant must also agree to allow the City to take steps ensuring the affordability of the designated rental and for-sale units.

AFFORDABILITY OF RENTAL UNIT(S)

The City shall ensure that all of the very low and low-income **rental** units that qualified the applicant for the density bonus maintain affordable rental rates—based on annual income estimates by the U.S. Department of Housing and Urban

Development (HUD)—for a period of at least 55 years, or a longer period if required by a construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.

AFFORDABILITY OF PROJECTS WITH “100% AFFORDABLE” UNITS

As described above, projects with 100% affordable units will qualify for certain density bonuses, incentives/concessions and waivers, provided at least 80% of units are for rent or sale to lower-income households, and less than 20% of units are for rent or sale to moderate-income household. Rents for these affordable units shall be set as follows:

- Rents for the less than 20% of the units in the project that may be set aside for moderate-income households shall be set at an “affordable rent,” as defined in Section 50053 of the Health and Safety Code.
- Rents for the remaining units in the project shall be set at an amount consistent with the maximum rent levels for lower-income households, as determined by the California Tax Credit Allocation Committee.

AFFORDABILITY OF FOR-SALE UNIT(S)

The City shall ensure that a for-sale unit that qualified the applicant for the density bonus meets **either** of the following conditions:

- The unit is (i) initially sold to and occupied by a person or family of very low, low, or moderate income, as required by the density bonus minimum percentage requirements, (ii) offered at an affordable housing cost (as defined in Health and Safety Code Section 50052.5), and (iii) is subject to an equity sharing agreement.
- If the unit is not purchased by an income-qualified person or family within 180 days after issuance of the certificate of occupancy, the unit is (1) purchased by a qualified nonprofit housing corporation⁵ pursuant to a recorded contract that satisfies all of the requirements specified in Revenue and Taxation Code, Section 402.1(a)(10), and (2) includes a repurchase option that requires a subsequent purchaser of the property that desires to resell or convey the property to offer the qualified nonprofit corporation the right to repurchase the property prior to selling or conveying that property to any other purchaser pursuant to (A) an equity sharing agreement **OR** (B) affordability restrictions on the sale and conveyance of the property that ensure the property will be preserved for lower-income housing for at least 45 years for owner-occupied housing units and will be sold or resold only to persons or families of very low, low, or moderate-income (as defined in Health and Safety Code, Section 50052.5)

⁵ A “qualified nonprofit housing corporation” must be tax-exempt under Section 501(c)(3) of the Internal Revenue Code, and based in California with all board members having their primary residence in California, and the primary activity of the nonprofit corporation must be the development and preservation of affordable home ownership in California.