



SCANPH

Southern California Association of Non-Profit Housing

Density Bonus Ranges: a new law from the former SB 1818

SB 1818 amended Density Bonus Law (Government Code, Section 65915) in several ways. The bill creates a sliding scale in which developments with less affordable units now qualify for a density bonus, and the density bonus increases as the percentage of affordable units increases. This new density bonus system also increases the maximum allowed density bonus to 35%. Under SB 1818 applicant are also eligible for the new “land donation density bonus”, and localities are required to offer one to three incentives instead of just one. SB 1818 is controversial, and some cities are having a hard time adopting it and/or implementing it.

Range of Density Bonuses

Existing density bonus law offers a flat 25% density bonus for developments with:

- 20% low-income units, or
- 10% very low-income, or
- 50% seniors.
- And, a 10% density bonus is available to condominiums with 20% moderate income units.

Under SB 1818, a 20% density bonus is available to developments with:

- 10% low-income units, with a 1.5% density increase for every percentage increase in low-income units above 10%. The maximum density bonus allowed is 35%
- 5% very low income units, with a 2.5% density increase for every percentage increase in very low-income units above 5%. The maximum density bonus allowed is 35%
- Also, a flat 20% density bonus is offer to all senior developments
- In addition, a 5% density bonus is available to condominium/PUD developments with 10% moderate income units, with a 1% density increase for every percentage increase in moderate income units above 10%. The maximum density bonus allowed is 35%

**To calculate density bonus ranges see chart on back – from the California Housing Law Project.*

Land Donation Density Bonus

SB 1818 also creates a new land donation density bonus for applicants who donate land for very low-income housing to local governments and housing developers. If an applicant donates land that can accommodate at least 40 units per acre and is sufficiently zoned to allow the construction of 10% very-low income units in a proposed development, they are entitled to a 15% density bonus on a different project. The density bonus increases by 1% for every percentage of very-low income units above 10%, up to a cap of 35%.

Required Incentives

Under existing density bonus law, localities are required to offer one incentive or concession in addition to the density bonus at the request of the applicant. SB 1818 requires localities to offer 1-3 incentives depending on the percentage of affordable units. This aspect of SB 1818 is not to preempt local inclusionary housing ordinances.

SB 1818 Density Bonus Ranges

For the **low-income density bonus**, SB 1818 gives a 20% bonus for developments with 10% low-income units and increases that by 1.5% for every percentage of low-income units above 10%, up to a cap of 35%.

% Low-Income Units	% Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35

For the **very low-income density bonus**, SB 1818 gives a 20% bonus for developments with 5% low-income units and increases that by 2.5% for every percentage of low-income units above 5%, up to a cap of 35%.

% Very Low-Income Units	% Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

For the **senior housing density bonus**, SB 1818 gives a 20% bonus for any senior development, rather than a 25% density bonus for housing with at least 50% seniors.

For the **moderate income condo/PUD density bonus**, SB 1818 gives a 5% bonus for condo/PUD developments with 10% moderate income units and increases that by 1% for every percentage of low-income units above 10%, up to a cap of 35%.

% Moderate Income Units	% 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
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

SB 1818 also creates a new **land donation density bonus** for donation of land to local governments and housing developers for very low-income housing. If an applicant donates land on which zoning is sufficient to permit construction of 10% of the units in a proposed development for very-low income households, the applicant is entitled to a 15% density bonus. The density bonus is calculated as 15% of the maximum allowable density for the entire development site. **For example, an applicant for a 1,000 unit development gets a 15% density bonus for donating 5 acres of land (if it was zoned for 100 units), permitting the applicant to build 150 additional units on the undonated land.** The density bonus increases by 1% for every percentage of very low-income units, up to a cap of 35%.

% Very Low - Income Units	% Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35