

DENSITY BONUS

INFORMATION GUIDE



City of Los Altos
Development Services
Department

This guide provides general information related to Density Bonus in the City of Los Altos. This informational guide is not intended to be used as a substitute for the Los Altos Municipal Code, which contains detailed regulations, or State Density Bonus Law, codified as California Government Code Section 65915 through 65918, and amended from time to time.

What is density bonus?

A density bonus is an increase in residential density beyond the otherwise maximum residential density, in exchange for the provision of affordable housing units. California's State Density Bonus Law was enacted in 1979 and is adopted by reference in the Los Altos Municipal Code. Density Bonus Law offers three categories of benefits to incentivize onsite affordable housing:

1. **Additional Units:** The amount of additional density granted is commensurate with the percentage and depth of affordable units provided. Certain housing project types, including some 100% affordable housing projects, may not be subject to density limits. Refer to State Density Bonus Law for additional information.
2. **Concessions:** A project may receive up to five incentives or concessions to offset the costs of providing affordable housing onsite. The number of concessions a project can receive depends on the percentage of affordable units and depth of affordability.
3. **Waivers:** A project may receive waivers from development or design standard if needed to construct on-site affordable housing unit within the project.

How does a project qualify?

A housing development with five or more base units is eligible for a density bonus if: (1) it meets the replacement requirements for specified types of existing rental units on the site; and (2) it meets minimum requirements of State Density Bonus Law, by providing specified percentages of units at specified affordability levels, as described fully in California Government Code Section 65915 through 65918, and summarized in this information guide.

KEY TERMS

- **Base Density:** The maximum residential density on a project site, excluding any density bonus, based on the residential density allowances in the General Plan, or on development standards that limit the building envelope.
- **Base Unit:** A dwelling unit that is accommodated within the project's base density.
- **Density Bonus Unit:** A dwelling unit of a density bonus project that is allowed in excess of the project's base density, in exchange for the provision of onsite affordable housing.
- **Concession:** A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that would otherwise be required that results in identifiable and actual cost reductions that are necessary to provide for affordable housing costs.
- **Waiver:** A reduction in site development standards or a modification of zoning code requirements that would otherwise be required that would have the effect of physically precluding the development, including the affordable units and density bonus units, from being constructed.

Calculating Base Density

In order to determine the density a project could achieve with a density bonus, the site's base density must first be calculated. In certain area of the City, the general plan establishes maximum residential density as a measurement of dwelling units per acre. In other areas, density is instead regulated by zoning or development standards that limit the size of the building envelope (for example, height, setbacks, and floor area ratio). This is often referred to as "form-based density". The following provides guidance on calculating base residential density in each scenario.

The first step to determine base density is to determine the project site's general plan and zoning designations. This can be done using the [City of Los Altos Public GIS Viewer](#). Using the GIS viewer and the City's general plan, determine whether the land use designation has a maximum density (for example "38 du/acre").

Site has a "units per acre" density limit

If the site's density is regulated in terms of units per acre, determine the project site's size in acres, then multiply the project size in acres by the density limit in the general plan. If the general plan provides a density range (for example 10-20 du/acre), use the high end of the range to calculate base density. If calculations result in a fractional number, round the number up to the next whole number.

The resulting number of units is the base density, or the maximum number of units that would be allowed on the site without density bonus.

Site has does not have a "units per acre" density limit

If the site does not have a "units per acre" density limit, the base density is derived by determining the maximum number of units that could be accommodated within a hypothetical housing development that complies with all applicable development standards. The density bonus report for the housing development shall include calculations and rough drawings for the hypothetical housing development used to determine the base density.

When using this approach, hypothetical base density plans must account for all parts of the development that would occupy floor area (e.g. lobbies, amenities, corridors, storage areas, mechanical rooms, parking, etc). Additionally, the average unit size for the hypothetical housing development shall be at least as large as the average unit size for the housing development proposed.

The resulting number of units shown in the fully compliant conceptual housing project will be considered the base density for the purpose of calculating density bonus.

Calculating Density Bonus

The amount of density bonus that a project may seek is set forth in the state law (California Gov. Code Sec. 65915 et. seq.). State density bonus law includes tables indicating percentages of affordable units in housing projects and corresponding possible density bonuses. Refer to the state law when calculating density bonuses, as these percentages are amended from time to time. When calculating density bonuses, always round up to the next whole number.

Inclusionary Housing Requirements

The Los Altos Municipal Code requires all multi-family residential and mixed-use projects creating five or more new dwelling units to provide onsite below-market-rate inclusionary housing units or pay an inclusionary housing in-lieu fee. Onsite units that are provided to satisfy the City's inclusionary housing requirements may be used to satisfy density bonus requirements as well. However, if a project elects to pay inclusionary housing in-lieu fees instead of providing onsite units, it will not qualify for density bonus.

Additional Density Bonus (allowed under Assembly Bill 1287)

Projects that have achieved the maximum possible density bonus of 50% shown in the tables in California Government Code Section 65915 et. seq. may qualify for an additional density bonus in one of the two following ways:

1. **Additional Moderate-Income Units:** A project can restrict an additional 5% to 15% of the base units for moderate-income households to achieve an additional density bonus of 20% to 50%. These moderate-income units may be rental or ownership units.
2. **Additional Very Low-Income Units:** A project can restrict an additional 5% to 10% of its base units for very low-income households for an additional density bonus of 20% to 38.75%. These very low-income units may be rental or ownership units.

Miscellaneous Project Types

Density Bonus Law also specifies density bonuses for several specialized housing types, including 100% affordable housing developments, senior housing developments, student housing, and housing designated for transitional foster youth, disabled veterans, or homeless persons. For more information about density bonus for these project types, refer to California Government Code Section 65915, subdivision. (b)(1).

Demystifying Concessions and Waivers

Concessions and waivers are two different tools that applicants of density bonus projects can utilize to vary from City standards in order to construct a density bonus project. Oftentimes, the differences between concessions and waivers are confused. The following table aims to highlight several key differences between concessions and waivers.

Concession	Waiver
Deviations from standards that would make the project (with the affordable units) <i>financially</i> infeasible to construct.	Deviations from standards that would make the project (with the affordable units) <i>physically</i> infeasible to construct.
Justified through financial documentation (such as a written narrative) from the project applicant.	Justified through plans and/or diagrams and a written narrative demonstrating that a particular standard physically precludes the project (with affordable units) without elimination or downsizing of units or amenities.
Projects are eligible for a limited number of concessions (refer to the Los Altos Municipal Code Chapter 14.28 and California Government Code 65915 et. seq. for more information).	Projects can be eligible for an unlimited number of waivers if sufficient evidence is provided.

Density Bonus Parking Ratios

Density bonus projects are eligible for reduced parking ratios. To determine the parking requirement for a density bonus project, refer to the Los Altos Municipal Code (Section 14.28).

Additional Questions?

If you have an active development application with the City of Los Altos, contact your project planner directly. For general questions related to density bonus, contact the Planning Division at planning@losaltosca.gov. If you are seeking affordable housing units in Los Altos, contact the Housing Division at housing@losaltosca.gov.

