

SB 1818 – STATE DENSITY BONUS LAW INTERIM GUIDELINES

SB1818 amended the State density bonus program (Government Code 65915) and became effective on January 1, 2005. Because of the significant changes in the law, new Affordable Housing Incentive Program Guidelines and revisions to the Zone Code are being prepared for submission to the City Planning Commission and City Council. In the interim, the following information should serve as guidelines for projects that request a density bonus.

Set-Aside Requirements

The new law halves the number of units that must be set aside as affordable for 30 years to qualify for a density bonus. The minimum number of Very Low Income affordable units that must be set aside to qualify for a density bonus is now 5% of the maximum allowable units permitted by the zoning before the density bonus. The number of Low Income affordable units is 10% of the maximum allowable density.

Density Bonus

SB 1818 also reduces the base by-right density bonus from 25% to 20%. However developers may increase the bonus to a maximum of 35% as they increase the number of set-aside affordable units.

- For each 1% increase in the percentage of Very Low Income affordable units, a developer will receive an additional 2.5% density bonus up to a maximum of 35%.
- For each 1% increase in the percentage of Low Income affordable units, a developer will receive an additional 1.5% density bonus up to a maximum of 35%.

Senior Projects

SB 1818 permits a 20% density bonus for 100% senior buildings. There are no income restrictions for the 20% bonus. The proposed ordinance will include an additional bonus for set-aside units for low-income seniors.

Transit Incentive

Until the Zone Code is amended, projects meeting the City's requirements for a 35% density bonus near transit corridors and large employment centers will continue to receive that bonus, as long as the minimum number of affordable units are set aside (5% for Very Low Income households; 10% for Low Income households).

Density Calculation

State law requires all density bonus and set-aside calculations resulting in a fractional number to be rounded up to the next whole number. LADBS calculation for "maximum allowable density" remains the same.

Parking

At present, the Zoning Code has the following parking requirements for affordable set-aside units and projects may be granted these standards until the Zoning Code is amended:

- 1 space per unit in projects within 1,500 feet of transit
- 1 space per unit for projects with 1 or 2 habitable rooms (not near transit)
- 1½ spaces per unit in projects with 3 or more habitable rooms (not near transit)
- ½ space per each affordable senior unit
- ¼ space per SRO unit; minimum 5 spaces per facility

Also, effective immediately, the following SB 1818 parking requirements apply to an entire project that contains set-aside affordable units, if requested by the developer:

- 0 – 1 bedroom unit = 1 onsite space
- 2 – 3 bedroom unit = 2 onsite spaces
- 4+ bedroom unit = 2½ onsite spaces
- Tandem parking and uncovered parking is permitted
- Any fractional space is rounded up to 1 whole space
- No requirement for guest parking

For Sale Projects

The new law permits for-sale projects to receive a density bonus for Moderate Income units, but the bonus is only 5% and the number of set-aside units is 10% of the maximum allowable density. For each additional 1% set-aside, the developer can receive an additional 1% bonus. These provisions may change when the City’s implementing ordinance is approved. In the interim, for-sale projects may continue to set aside units for low and very low-income households using the Set-Aside and Density Bonus Table cited above.

Additional Incentives

The new law permits affordable housing projects one, two or three incentives (beyond the density bonus) depending upon the percentage of units set aside as affordable. Pending adoption of the new ordinance implementing SB 1818, projects requesting additional incentives and other questions should be referred to Jane Blumenfeld at (213) 978-1372 or Sharon Mayer at (213) 978-11365.

Additional Information

The following Tables provide information regarding set-aside, density bonus, maximum income, and maximum rent and purchase price.

Percentage of Set-Aside Units and Corresponding Density Bonus

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI		LOW INCOME HOUSEHOLDS EARNING 50%-80% AMI	
Set-Aside Units	Density Bonus	Set-Aside Units	Density Bonus
5%	20.00%	10%	20.00%
6%	22.50%	11%	21.50%
7%	25.00%	12%	23.00%
8%	27.50%	13%	24.50%
9%	30.00%	14%	26.00%
10%	32.50%	15%	27.50%
11%	35.00%	16%	29.00%
		17%	30.50%
		18%	32.00%
		19%	33.50%
		20%	35.00%

Household Income Table - Updated for 2005

Household Size	Very Low Income 50% AMI	Lower Income 80% AMI	Moderate Income 120% AMI
1	\$22,950	\$36,700	\$55,100
2	\$26,200	\$41,900	\$62,900
3	\$29,500	\$47,150	\$70,800
4	\$32,750	\$52,400	\$78,600
5	\$35,350	\$56,600	\$84,850
6	\$38,000	\$60,800	\$91,200
7	\$40,600	\$65,000	\$97,450
8	\$43,250	\$69,150	\$103,800

Maximum Rents for Set-Aside Units - Updated for 2005

No. of Bedrooms	Very Low Income 50% AMI	Lower Income 60% AMI	Moderate Income 120% AMI (For sale units only)
0	\$555	\$631	\$1,202
1	\$634	\$720	\$1,372
2	\$714	\$811	\$1,545
3	\$855	\$972	\$1,851
4	\$983	\$1,116	\$2,126

Maximum Purchase Price for Set-Aside Units – Updated for 2005

Number of Bedrooms	Very Low Income 50% AMI	Lower Income 60% AMI	Moderate Income 120% AMI
0	\$57,375	\$91,773	\$137,882
1	\$65,500	\$104,695	\$163,737
2	\$77,812	\$147,576	\$202,939
3	\$91,687	\$156,815	\$239,836
4	\$104,812	\$159,748	\$267,153