

## RESIDENTIAL DENSITY BONUS

### What is the Residential Density Bonus Ordinance?

The Residential Density Bonus Ordinance (density bonus) is a mechanism to provide incentives for the production of affordable housing for very-low, lower-income, and senior households. The incentives include a 25 percent increase in the maximum allowed residential density in the General Plan and, under certain circumstances, additional incentives. A density bonus will be provided to housing developers who agree to construct at least 20 percent of units allowed by the General Plan for lower-income households<sup>1</sup>, 10 percent for very-low income households, or 50 percent of the units for senior citizens reserved for households with at least one member aged 55 years or over.

### What developments are eligible for a density bonus?

Housing developments eligible for a density bonus are developments that consist of five or more residential units and meet all statutory and County Ordinance Code requirements apart from density bonus considerations. Qualified senior

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<sup>1</sup> A lower income household is a household whose income does not exceed the lower income limits applicable to Contra Costa County, adjusted for household size, as published and periodically updated by the State Department of Housing and Community Development (HCD) pursuant to Health and Safety Code Section 50079.5. A very low income household is a household whose income does not exceed the very low income limits as published and periodically updated by HCD pursuant to Health and Safety Code section 50105. Current income limits are available from the Community Development Department.

developments are developments that consist of 35 or more residential units.

### What are the affordability requirements?

If a density bonus alone is provided, target units must remain affordable to and occupied by the target household for a minimum of ten years. If an additional incentive is provided, the term of required affordability increases to 30 years.

Monthly rents for affordable rental units must not exceed the following rents, including a reasonable allowance for utilities.

- for lower-income households, 60 percent of the area median income (AMI), adjusted for household size, multiplied by 30 percent and divided by 12
- for very-low income households 50 percent of the AMI, adjusted for household size, multiplied by 30 percent and divided by 12

Affordable for-sale units must be priced such that a very-low or lower income household can qualify to purchase the unit. In establishing a sales price, the developer must take into account the prevailing interest rates, number of bedrooms (and therefore, assumed household size), a reasonable downpayment, and reasonable monthly costs for housing expense payments (e.g. mortgage principal and interest, taxes, and insurance).

### What are additional incentives and when are they provided?

A housing developer may request an additional incentive to reduce costs associated with the development. Unless the County finds that an additional incentive is not warranted to ensure project feasibility, an incentive must be provided. Potential additional incentives are outlined in the ordinance and are summarized here:

- a reduction of site development standards, or a modification of zoning code or architectural design requirements
- approval of non-residential or mixed uses if consistent with the General Plan
- other incentives proposed by the developer or the County which result in identifiable cost reductions.

### How is a density bonus calculated?

Following is an example for an eligible development:

General Plan land use designation:  
multi-family residential/medium

Allowed density:  
12.0–20.9 units per acre

Allowed density with 25% bonus:  
26.13 units per acre

Gross acreage: 4 acres

Net acreage (80%): 3.2 acres

Maximum units allowed with density bonus:  
84 units

In order to receive a density bonus, a developer must provide, at a minimum, one of the following:

- twenty percent of the units affordable to and occupied by lower-income households,
- ten percent of the units affordable to and occupied by very-low income households, or
- senior citizen housing.

#### **How do I apply for a density bonus?**

A request for a density bonus should be included with the complete development application. You may submit a preliminary application to the Community Development Department for review prior to submitting a formal application. The preliminary application should include the following:

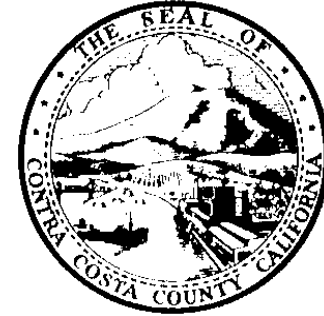
- A brief description of the proposed housing development, including the total number of units allowed under the current General Plan designation, proposed number of density bonus units, and proposed number of units targeted for very-

low income, lower-income, or senior households (target units).

- The zoning and general plan designations and assessor parcel number(s) of the project site.
- A vicinity map and preliminary site plan drawn to scale, including building elevations, footprints, driveway and parking layout.
- If an additional incentive is requested, the application should describe the incentive and explain how it contributes to the feasibility of the development and provision of the affordable units.

If you have any questions about the residential density bonus program, please call the Community Development Department at (925) 335-1253.

## **RESIDENTIAL DENSITY BONUS ORDINANCE (2001-06)**



### **APPLICATION AND PERMIT CENTER**

**651 Pine Street  
Second Floor, North Wing  
Martinez, CA 94553**

**(925) 646-1600  
Fax (925) 646-1599**

**Hours  
7:30 – 5:00  
Closed 1<sup>st</sup>, 3<sup>rd</sup>, and 5<sup>th</sup> Fridays  
of each month**