



DENSITY BONUS

City of Murrieta – Development Services Department
1 Town Square, Murrieta CA 92562

June 2021

This Information Bulletin outlines the development and processing requirements in order to receive the benefits provided for under the California Density Bonus Law.

I. BACKGROUND

Density Bonus is a State law (Gov. Code §65915) that allows a developer to increase density (the number of dwelling units on a property above the maximum set under a city's local land use plan (referred to as the General Plan) as well as receive reductions in required development standards such as setbacks, height limits, parking, and other requirements. In exchange for the increased density, a certain number of the dwelling units must be reserved for very low, low, or moderate (for purchase) income households or for seniors. For additional information regarding recent updates to Density Bonus Law, please see [AB 2345](#).

II. PROJECT Eligibility

Any housing development that proposes **five or more** units (35 units minimum for a senior housing project) and incorporates at least one of the requirements below is eligible for a density bonus.

- 5% units restricted to Very Low Income
- 10% units restricted to Low Income or Moderate Income (Moderate has to be available for purchase within a for-sale common interest development)
- 10% units restricted for transitional foster youth, disabled veterans, or homeless
- 20% units for Low Income student housing
- A senior housing project (No affordable units are required).
- An age-restricted mobile home park (No affordable units required).
- Projects which include a child care facility
- The project donates at least one (1) acre of land to the city for very low-income units, and the land has the appropriate general plan designation, zoning, permits and approvals, and access to public facilities.

Documents Referenced in this Information Bulletin

- State Density Bonus Law, [§65915](#)
- Murrieta Municipal Code, [§16.20](#)
- Density Bonus Calculation Chart, [TD-227](#)
- Density Bonus Application Checklist, [DS-257](#)
- Pre-Application Application, [DS-240](#)
- The Housing Crisis Act - SB 330, [IB-215](#)
- Supplemental Prelim. Info. Checklist for SB-330 Residential Projects, [DS-241](#)

The affordable units within the development must be restricted to their level of affordability for at least 55 years by recorded document. Therefore the affordability of each unit is maintained should ownership change.

A density bonus project must also comply with specific requirements for any existing units that are to be demolished, the replacement criteria in State law should be carefully reviewed if applicable to a project.

Eligibility for a density bonus for a project is established by state law. A city may not enact or impose local laws that conflict with State law or prohibit what the legislature intends to authorize.

Parking ratios for a density bonus project (inclusive of parking for persons) shall be consistent with State law. An applicant may provide additional onsite parking if proposed:

DENSITY BONUS PROJECT - STANDARD PARKING RATIOS⁽¹⁾

Studio	1 space
1 Bedroom	1 space
2 Bedroom	1.5 spaces
3 Bedroom	1.5 spaces
4 Bedroom	2.5 spaces

⁽¹⁾ Please refer to Density Bonus Law for additional parking criteria for projects located within proximity of Major Transit Stops, Paratransit Services, Bus Routes (8X Per Day), and at projects that offer Supportive Housing and the technical information required.

III. HOW IS DENSITY BONUS CALCULATED?

The number of additional units allowed under this program is set on a sliding scale, based on two factors:

- The percentage of units in the project that will be set aside as affordable; and,
- The household income category of those affordable units (very low, low, or moderate household income).

State law requires that all density calculations resulting in fractional units shall be rounded up to the next whole number. This applies to both Base Density and Density Bonus calculations.

Notwithstanding the above, State law requires that the percentage of affordable units on the site must exceed the percentage established in the sliding scale. While this can be interpreted that the fractional percentage of units being reserved as affordable can be rounded down, the City allows the fractional unit to be rounded up, consistent with other density calculations and the overall intent of the state law.

IV. THEORETICAL EXAMPLE

A property is 1.4 net acres in size, with a zoning designation of MF-2 (18 dwelling units per acre). This results in a maximum Base Density of 25.2 units for this site (1.4 net acres multiplied by 18 units per acre), which rounds up to 26 units.

The applicant proposes that three of the units will be reserved for *very low income* households. This results in 11.5% of the 26 units that will be reserved for affordable housing, which rounds up to 12%.

Based on the sliding scale found in TD-227, with 12% of the units reserved as *very low income* affordable, the project's Base Density can increase by 38.75%, for a total of 36.075 units, which rounds up to 37 total units.

V. WHAT ARE CONCESSIONS/INCENTIVES?

In many cases, a typical development project must be modified and/or reduced in order to comply with established objective design standards and other regulations such as building height, setback, parking, and on-site open space requirements.

Concessions and incentives, as defined under State law, allow a developer to deviate from those design standards/regulations when such regulations potentially make the project economically infeasible for the developer to build.

The number of concessions/incentives that can be requested by a developer varies by the amount and

type of reserved affordable units being proposed, as reflected in the chart below.

Percentages between these ranges are rounded down. For example, the sample project that reserved 12% of the units for very low income receives two concessions/incentives.

Income Category	% of Reserved Units			
	1	2	3	4
Very Low	5%	10%	15%	100% Low/Very Low/Mod (20% Moderate allowed)
Low	10%	17%	24%	100% Low/Very Low/Mod (20% Moderate allowed)
Moderate (For-Sale) ⁽¹⁾	10%	20%	30%	100% Low/Very Low/Mod (20% Moderate allowed)
Max. # of Incentives	1	2	3	4
<small>(1) Applies to a Common Interest Development, as defined in §4100 of the Civil Code</small>				

VI. HOW DO YOU DETERMINE ECONOMIC INFEASIBILITY?

As part of the request for a concession/incentive, the applicant must provide evidence that the design standard/regulation causes the project to become too expensive to build. This can be accomplished through a financial pro-forma or other similar study or analysis.

The study must demonstrate that the requested concession/incentive results in identifiable, financially sufficient, and actual cost reductions that contribute significantly to the economic feasibility of the reserved affordable units.

VII. WHAT ARE WAIVERS?

Waivers are yet another form of assistance under State law, separate from concessions and incentives. A waiver is a reduction in development standards and other regulations when those requirements potentially make the construction of the project physically infeasible, if not approved.

Unlike concessions and incentives, there is no limit in the number of waivers an applicant can request. Furthermore, while the developer must justify the need for a waiver, a pro-forma (or other similar analysis) is not required.

VIII. CAN THE CITY DENY A CONCESSION/INCENTIVE OR WAIVER?

Yes. Nothing in the State law requires a local government to grant an incentive or waiver that will potentially result in a specific, adverse impact upon public health, safety or the environment. Public Health and Safety Criteria Issues to be aware of when evaluating potential locations (Please Note: Not an Exhaustive List):

- A proposed density bonus project that would be located within an airport compatibility zone found to be inconsistent with the compatibility criteria
- A proposed density bonus project that would be located within a FEMA floodway
- A proposed density bonus project that would be located at a Hazardous Waste Site, pursuant to §65962.5 of the Government Code
- A proposed density bonus project that would be located within a High Fire Severity Overlay Zone

The burden of proof is on the jurisdiction to determine if there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Under the law, the court shall award the plaintiff attorney's fees and costs should the City not adequately justify the denial of a concession/incentive or waiver.

IX. YOUR OPTIONS FOR SERVICE

A **Project Pre-Application Information Worksheet (DS-240)** application is required - to be submitted prior to the submittal of a formal application to assist with the initial review portion of a density bonus project. A Density Bonus project is also subject to Senate Bill 330. Please see: **The Housing Crisis Act - SB 330 (IB-215)** and **Supplemental Preliminary Informational Checklist for SB-330 Residential Projects (DS-241)** for additional requirements / processing protocols.

Formal application(s) for a density bonus project will be required to submit information requested under the **Density Bonus Supplemental Application Checklist (DS-257)**, as required under Murrieta Municipal Code §16.20. To improve process review, an appointment is recommended to walk through project submittal and processing requirements. Please call (951) 461-6062 to schedule an appointment.

NOTE: Please refer to State Density Bonus Law Government Code (§65915 et al) for additional details with respect to conformance/associated regulations.