

Density Bonus Information Guide

This guide provides general information related to the Density Bonus law. This informational guide is not intended to be used as a substitute for the Municipal Code or State Density Bonus Law, codified as [California Government Code Section 65915 through 65918](#), and amended periodically.

Density Bonus

Anyone can apply to build housing using a density bonus, which is an increase in unit density beyond the General Plan and zoning maximum in exchange for an obligation to provide affordable housing units. The State Density Bonus Law offers three categories of benefits:

- 1. Additional Units:** The number of bonus units is proportional to the percentage of affordable units provided, with eligible housing projects allowed between 20 and 50 percent more units.
- 2. Concessions/Incentives:** A project may receive up to five incentives or concessions, which are modifications to development standards intended to offset the costs of providing affordable housing. The number of concessions depends on the percentage and affordability of the units.
- 3. Waivers:** A project may receive waivers from development standards that would otherwise make the project too costly to build.

Qualifications

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.

Key Terms:

- Low-Income Households:** Households with incomes between 50% and 80% of the Area Median Income (AMI).
- Very Low-Income Households:** Households with incomes between 30% and 50% of the AMI.
**As of May 2025, HCD set Solano County’s AMI at \$124,600.*
- Base Density:** The maximum residential density, excluding any density bonus, as established by the General Plan or zoning.
- Density Bonus Unit:** A dwelling unit of a density bonus project that is allowed in excess of the project’s base density.



- Concession/Incentive:** A reduction in site development standards, such as building height, or setback, intended to result in cost reductions to affordable housing costs.
- Waiver:** A reduction in design standards that would make the project too costly to construct, such as porches and garages.

Calculating Density Bonus

The amount of density bonus units that a project may seek is established by California Government Code Section 65915 et seq. and shown in the adjacent table. There are more calculations than can be shown here, so please refer to the State law when calculating density bonuses. When calculating density bonuses, always round up to the next whole number.

Percent Set-Aside for Each Qualified Housing Development Type

The density bonus shall be calculated as follows:

Project Type	Percent of Required Affordable Units	Density Bonus Granted
Very Low Income	5%—15%	20%—50%
Low Income	10%—24%	20%—50%
Moderate Income	10%—44%	5%—50%
Senior Citizen Housing Development	N/A	20%
Foster Youth, Disabled Veterans, Homeless Persons at 50% AMI	10%	20%
Student Housing	20%—24%	35%—50%
100% Affordable (restricted to very low, lower and moderate-income residents with a maximum of 20% moderate)	80% at 80% AMI + 20% at 120% AMI	80% or no maximum if within one-half mile of a major transit stop or very low vehicle travel area.
Land Donation (very low-income projects only)	15%—35%	15%—35%

* Affordable unit percentage is calculated excluding units added by a Density Bonus, i.e., the percentage of the number of units allowed without a Density Bonus.
** The moderate income Density Bonus applies to for-sale units, not to rental units.
*** No affordable units are required for senior housing developments.

Concessions and Incentives

The number of Concessions or Incentives that a project may seek is set forth in California Government Code Section 65915 et seq. as follows:

Number of Concessions/Incentives	Very Low Income Percentage	Low Income Percentage	Moderate Income Percentage	Student Housing Percentage
1	5%	10%	10%*	20%
2	10%	17%	20%*	23%
3	15%	24%	30%*	N/A
4	16%	N/A	45%*	N/A
5	100% low, very low, and or moderate (up to 20% moderate allowed)			N/A

*Applicable to for-sale developments only.

Parking Requirements

A density bonus project applicant may request to use the following parking ratios:

Dwelling Unit Size	On-Site Parking Per Unit
Studio to 1 Bedroom	1 space per unit
2 to 3 Bedrooms	1.5 spaces per unit
4 or More Bedrooms	2.5 spaces per unit

Interpreting Concessions/Incentives and Waivers

Concessions/Incentives and waivers are different tools that can be used to vary from the local development standards for projects that qualify. The following table highlights key differences between concessions and waivers.

Concession	Waiver
Deviations from standards that would make the project (with the affordable units) financially infeasible to construct.	Deviations from standards that would make the project (with the affordable units) physically 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.	Projects may be eligible for an unlimited number of waivers if sufficient evidence is provided.

Additional Density Bonus – Government Code Section 65915(v)

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 may receive a density bonus of 20% to 50% by providing an additional 5% to 15% of the base units for moderate-income households, either as rental or ownership units.
- 2. Additional Very Low-Income Units:** A project may receive an additional density bonus of 20% to 38.75% by providing an additional 5% to 10% of the base units for very low-income households, either as rental or ownership units.

Student Housing – Government Code Section 65915 (f)(3)

A student housing project may receive a density bonus of up to 50% by providing at least 24% of the base units for lower-income students.

Site has a “units per acre” density limit:

Pursuant to Government Code Section 65915(o)(6), the site’s density is determined by calculating the project site’s size in acres, then multiplying the project size in acres by the density limit in the General Plan. If the General Plan provides a density range, 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 does not have a “units per acre” density limit:

Pursuant to Government Code Section 65915(o)(6)(A)-(B), 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.