Density Bonus Implementation Procedures
Simplified Procedures (12/19/07)

Berkeley’s Situation:
a. Need Proxy for “otherwise maximum allowable residential density”
b. Derive numbers of Inclusionary and Affordable Units from the “base project”

Use four Steps:
- Step 1: Calculate the base project.
- Step 2: Determine numbers of units (base project, density bonus) and concessions & incentives
- Step 3: Waive or modify development standards, if
- Step 4: Act on request for concessions/incentives

Step 1: Determine the “otherwise maximum allowable residential density” of a site [Gov. Code Sec. 65915(g)(1)].

Assumptions: Determine the Base Project, i.e., the “otherwise maximum allowable residential density.” [Gov. Code 65915 (g)(1)],

a. Requires only one basic use permit
b. Complies with all applicable development standards
c. Reflects proposed project’s open space locations, building separations, etc.
d. Include only floor area needed for residential use
e. Derive average unit size from proposed project
f. Assume the project’s proposed separation of building mass.

a. Consider development constraints due to historic structures
b. Consider requests for additional density bonus units (65915(n))

1.1: Calculate the maximum development envelope of this parcel for this project:

Criteria: Setbacks, building separations (zoning, UBC, fire code, developer proposed); FAR; limits on height, number of stories (zoning); lot coverage.

Procedures:
a. Determine the maximum footprint.
b. Calculate Maximum floor area (by stories): Multiply the footprint area by the allowed number of stories.
c. Calculate the Floor Area Ratio (FAR), using the development envelope (by stories.) Adjust so building meets district standards.
d. Deduct from envelope area for setbacks, UBC light/air separations, building separation, and height.
e. Assume that all mechanical equipment must fit into the ground floor or basement of the base project.

1.2: **Calculate the Maximum Buildable Residential Floor Area by deducting all non-residential space.** [Gov. Code Sec. 65915(g)(1)]

Criteria: Permit Application

Procedures:

a. From each maximum floor (story), subtract floor area dedicated to any non-residential uses, such as
   1. commercial space,
   2. office space,
   3. areas for parking within the building (not in a basement, since the Zoning Ordinance does not consider basements a “story”,
   4. useable open space,
   5. access (driveways), and
   6. areas that may not contain residential uses (such as Zoning Ordinance prohibitions of ground floor residential uses in some zoning districts)

Result – maximum buildable residential floor area

1.3: **Determine the Project’s Average Residential Unit Size**

Criteria: Permit Application

Procedures:

b. Using the proposed project’s plans, calculate the total floor area dedicated to residential uses (living areas, corridors, access ways, residential amenities) on each floor.
c. Identify the total number of proposed residential units.
d. Calculate the proposed project average unit size. [Note: this size will be larger than that typically placed on project plans, since it includes circulation space and other residential amenities.]

1.4: **Identify the maximum number of base project units**

Criteria: Zoning Ordinance parking and open space requirements

Procedures:

a. Divide maximum buildable residential floor area (Step 1.2) by the average unit size (Step 1.3).
b. Adjust for Parking Space Requirements:
c. Adjust for Useable Open Space Requirements:
d. Keep adjusting until it fits the requirements!

**Step 1 Outcome: Description of Base Project:**
- the maximum number of residential units (Base Project)
- floor area for residential uses (including residential units, circulation space, and residential amenities),
- useable open space, and
- floor area for commercial uses (if applicable).

**NEW OPTION:**
Where applicants are obviously under the maximum allowable units under density bonus, the applicants may submit plans for a “real” base project (something that could actually be built) and their proposed Density Bonus Project. Staff would conduct enough analysis to confirm that the density bonus project is well under the maximum allowed, and that the developer’s numbers “work.” In these cases, staff would not complete the detailed analysis discussed above.

**Step 2: Determine “Qualifying Units”, Density Bonus, and Concessions or Incentives.**

2.1: Determine compliance with Berkeley’s Inclusionary Ordinance (#units, level of affordability)

2.2: Determine the number of Density Bonus units and concessions & incentives available to this Project
   a. Consult “sliding scale”
   b. Multiple density bonus percentage by number of base project units, at the specified affordability level.

**Step 3: Identify Waivers or Modifications Necessary to Accommodate Density Bonus Units. [Gov. Code Sec. 65915(g)(1)]**

**Procedures:**
- Applicant requests the development standards to be waived and explains why he thinks it’s the best option.
- ZAB evaluates this request.
- ZAB decides on preferred waivers or modifications of development standards.
d. Incorporate chosen waivers & modifications into the permit as Use Permits or Variances.

**Step 4: Grant Requested Concessions or Incentives [Gov. Code Sec. 65915(d)(1)].**

**Procedures:**

4.1. Applicant describes concessions/incentives requested  
4.2. Applicant submits “pencil out pro forma” statement, using the following scenarios.

I. Base Project, as 100% market rate  
II. Base Project, with proposed affordable units.  
III. Density Bonus Project, with affordable units and with density bonus market rate units  
IV. Density bonus Project, incorporating concessions/incentives

**Exception:** If the proposed density bonus project is well under the maximum allowed under density bonus, then applicant may submit simpler description of financial need for the requested incentives & concessions.

Difference in return between Scenarios III and IV above represent the economic value of a requested concessions/incentives.

**Staff Guidance:**

a. Evaluate and confirm assumptions about concessions/incentives  
b. Perform a “reality check” on the pro forma analysis  
c. Advise ZAB whether to accept, modify, or deny the request for concessions.  
d. State all assumptions and source of constants used in the pro forma.  
e. In revenue projections, identify dwelling units by floor and location on that floor.  
f. Note that the qualifying rental price may be pegged off a lower qualifying family income level.
33 units, 4 stories, 32 parking spaces

- Option Z

32 units, 5 stories, 30 parking spaces

- Option I

38 units, 5 stories, 17 parking spaces

- Option X

Project Description

1998 University
Example 2 - S+FP3
Project Description

Option 1 - sections
Option 2 – Sections

Project Description
### Determination of Density Bonus and Concessions

<table>
<thead>
<tr>
<th>Project Units (69515(g)(1)/(2))</th>
<th>Bonus Units (69515(g)(1)/(2))</th>
<th>Concessions (69515(g)(1)/(2))</th>
<th>Baseline Density % of Base Income Families</th>
<th>Targeted for Very Low Income Families</th>
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(!) Targeted for Very Low Income Families

(1) Up to 120% of Area Median Income

Condominium Projects -
Massing Transition, Five Stories to Three

- allowable: 5-story height begins 13 feet from property line
- proposed: 5-story height begins 48 feet from property line