

## **EXHIBIT B.3:**

### **Affordable Housing Incentive Guidelines**

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CPC-2023-7068-CA, CPC-2024-387-CA, CPC-2024-388-CA

For consideration by the City Planning Commission

September 26, 2024

# AFFORDABLE HOUSING INCENTIVES GUIDELINES

Implementing the State Density Bonus Law  
California Government Code Section 65915

Approved by the City Planning Commission on [September 26, 2024](#)  
(Supersedes all previous editions of the Affordable Housing Incentives Guidelines)

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## **AFFORDABLE HOUSING INCENTIVES GUIDELINES**

### **I. SCOPE AND PURPOSE**

As required by State law, the Municipal Code implements the State's density bonus provisions by setting forth the density bonus program requirements, incentives and procedures. These Guidelines more fully describe the density bonus provisions and qualifying criteria; the incentives available to qualifying projects; and the procedures whereby projects may apply for a bonus and incentives.

The Guidelines may be modified by resolution of the Planning Commission.

### **II. DEFINITIONS**

**Area Median Income (AMI)** – The estimate of median income in the Los Angeles – Long Beach Primary Metropolitan Statistical Area that is determined periodically by the US Department of Housing and Urban Development (HUD), adjusted for household size and which is published periodically.

**Density Bonus** -- A density increase over the otherwise maximum allowable residential density pursuant to California Government Code Section 65915. The density bonus shall apply to housing developments consisting of three or more dwelling units.

**Incentive or Concession** – A reduction in a development standard or a modification of the Zoning Code.

**Moderate Income, Lower Income and Very Low Income** – Annual income of a household that does not exceed the Area Median Income for the income category as specified in the California Health and Safety Code Sections 50079.5 and 50105. (See Appendix for Annual Household Income Levels)

**Mass Transit Station** – A transit stop for a fixed rail system or Major Bus Center. A station is one that is currently in use, whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Transit Authority.

**Major Bus Route** – A bus route with peak-hour headways of 15 minutes or less in two directions for 2 of the 3 hours between 4:00 p.m. and 7:00 p.m.

**Senior Citizens** – Individuals who are at least 62 years of age, except that for density bonus projects of at least 35 dwelling units, a threshold of 55 years of age may be used, provided all applicable City, State and federal regulations are met.

### III. DENSITY BONUS AND SET-ASIDES [\(SEE APPENDIX FOR EXAMPLES\)](#)

Density bonus provisions apply to projects of 5 or more units [prior to any density bonus](#). Projects qualify for a **20% density bonus**, if they provide the following tenant set-asides for a period of at least ~~30-55~~ years, as established by State Law:

- **5% of the dwelling units for Very Low Income households**, earning no more than 50% of the AMI and paying no more in rent than the amount established by LAHD for households earning up to 50% of the median income, OR
- **10% of the dwelling units for Lower Income households**, earning no more than 80% of the AMI and paying no more in rent than the amount established by the Los Angeles Housing Department (LAHD) for households earning up to 60% of the median income.

Projects may qualify for an **additional density bonus to a maximum of 35%** provided the number of set-aside units are increased as follows:

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

Projects qualify for an **additional 10% density bonus up to a maximum of 35%** if they are located on or near a transit corridor or major employment center (see By-Right Incentives, below).

[Projects qualify for an additional density bonus up to a maximum of 88% or 100% if a project provides an additional set-aside of Very Low Income or Moderate Income units, as set forth in the tables of Government Code Section 65915\(v\).](#)

#### Senior Housing Projects

State law provides an automatic 20% density bonus for housing projects that set-aside 100% of the housing for senior citizens. There are no income or rent restrictions for this bonus. As an incentive to provide affordable housing for seniors, senior housing projects that set aside at least 10% of the units for Lower Income seniors or 5% of the units for Very Low Income seniors will qualify for an additional 15% density bonus, for a total density bonus of 35%. All senior housing projects are required to sign a Covenant with the Los Angeles Housing Department assuring that the units are restricted to seniors for a period of 30 years.

#### For-Sale Housing Developments

Housing developments that set-aside 5% of the dwelling units for sale to Very Low Income households or 10% of the dwelling units for sale to Lower Income dwelling units will qualify for the density bonus a 20% and additional density up to a maximum of 35% as noted above.

Housing developments that set aside 10% of the dwelling units for buyers who meet the criteria of Moderate Income households (earning no more than 120% of AMI) will also qualify for a density bonus of 20%. For each additional 1% set-aside, the developer may receive an additional 1%

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density bonus up to a maximum of 35%. It is the intent of this program that these units will be owner-occupied.

Consistent with State law, the owner of the Moderate Income ~~and lower income levels~~ set-aside unit can sell that unit any time at an unrestricted price. At the time of sale, the owner can recoup his/her down payment, and the value of any improvements, but any profit must be shared with the City. The City's share is equal to the percentage by which the initial sale price to the Moderate-Income Household was less than the fair market value of the home at the time of the initial sale. These funds are to be used within ~~five~~three years for the construction, rehabilitation, or preservation of affordable housing for Extremely Low, Very Low, Lower, and Moderate-Income persons or families.

~~The Los Angeles Housing Department (LAHD) will develop additional guidelines to implement this provision of State law and to address for sale Lower and Very Low Income units.~~

### • **Donation of Land in Lieu of Set Aside**

State law permits an applicant for a subdivision, parcel map or other residential development approval to obtain a 15% density bonus, if the applicant donates land to the City that meets, at a minimum, the following criteria:

- The developable acreage and zoning of the land being transferred are sufficient to permit construction of at least 10% of the number of residential units in the proposed development.
- The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units.
- The transferred land is within the boundary of the proposed development, or with the City's agreement, within ¼ mile of the development.
- The transferred land is fully entitled to permit the number of required affordable units.
- The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map or residential development application.

For each additional 1% land donated, the applicant may obtain an additional 1% density bonus up to a maximum of 35%. Also, an applicant may receive a density bonus for setting aside affordable units within the development project with the total bonus not to exceed 35%.

### **Density Bonus Calculation**

The number of ~~set-aside and~~ density bonus units is based upon the maximum density allowed in the zone. State law requires that all density and set-aside calculations resulting in a fractional number be rounded up to the next whole number. For example, a 5,000 square foot lot in the R3 zone would permit 76 units (not 67 since the maximum density ~~allowed~~ is ~~also not~~ "rounded up"). A 20% bonus would allow 2 extra units (1.2 is rounded up to 2 extra units). The required set-aside for Very Low Income households would be 1 unit (5% of 6 is .03, which is rounded up to 1.)

Where the developer is not requesting a density bonus and the housing development uses less than the maximum density allowed in the zone, the percentage of set-aside units is based upon the number of units in the development.

### **Other Discretionary Approval**

Approval of density bonus units does not, in and of itself, trigger other discretionary approval such as Site Plan Review.

### **Term of Affordability**

All Lower and Very Low Income rental density bonus units must remain affordable for ~~30~~ 55 years (or longer, if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.) ~~L.A.H.D. has determined that State law has been amended to clarify that~~ equity sharing is the ~~preferred~~ method of ensuring ongoing availability of affordable housing upon re-sale of affordable restricted units. ~~L.A.H.D. will be preparing implementing guidelines for the re-sale of Moderate, Lower and Very Low Income restricted units.~~

## **IV. BY-RIGHT INCENTIVES**

**Parking.** State law provides parking standards that may be requested by a developer of a density bonus project and that the City must grant if requested. These standards apply not only to the restricted affordable units (the set-aside units) but also to the entire project. These standards are inclusive of handicapped and guest parking and are as follows:

- 0 – 1 bedrooms: one onsite parking space
- 2 – 3 bedrooms: two onsite parking spaces
- 4 or more bedrooms: 2½ parking spaces

If the total number of spaces required in the development results in a fractional number, it is rounded up to the next whole number. Tandem parking and uncovered parking are also permitted to meet these parking requirements.

State Law has also been amended to permit additional types of parking reductions for certain types of projects, and/or projects located in certain areas. Please see California Government Code Section 65915(p) for more.

**Transit Corridor / Major Employment Centers.** Projects that meet the following criteria will be granted an additional 10% density bonus, up to a maximum of 35%:

- At or within a 1,500 foot radius of an existing or fully funded major bus center, bus stop along a major bus route (defined as a bus route with peak-hour headways of 15 minutes or less in two directions in at least two of the three hours between 4:00 p.m. and 7:00 p.m.), or mass transit station; or
- At or within a 1,500 foot radius of an intersection of transit priority arterials; or

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- In or within a 1,500 foot radius of the boundaries of a regional center; or
- In or within a 1,500 foot radius of boundaries of a major economic activity area (LAX, the Port of Los Angeles and Downtown);
- Within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.

### V. OTHER AFFORDABLE HOUSING INCENTIVES

In conformance with State law, at least one incentive or concession, in addition to the density bonus, must be provided to projects that set aside affordable units. The number of incentives increases as the percentage of set-aside units increases, as follows:

#### *Very Low Income Households:*

- One Incentive/Concession – 5% set-aside
- Two Incentives/Concessions – 10% set-aside
- Three Incentives/Concessions – 15% set-aside
- [Four Incentives/Concessions – 16% set-aside](#)

#### *Low Income ~~Households and~~*

- [One Incentive/Concession – 10% set-aside](#)
- [Two Incentives/Concessions – 27% set-aside](#)
- [Three Incentives/Concessions – 24% set-aside](#)
- [Four Incentives/Concessions – N/A](#)

#### *Moderate Income Households:*

- One Incentive/Concession – 10% set-aside
- Two Incentives/Concessions – 20% set-aside
- Three Incentives/Concessions – 30% set-aside
- [Four Incentives/Concessions – 45% set-aside](#)

### Menu of Incentives/Concessions

Projects may request one or more of the following incentives or concessions, depending upon the income level of the targeted households and the percentage of set-aside units, in order to provide the affordable units:

- Up to 20% deviation from yard/setback requirements, except along any property line that abuts an R1 or more restrictively zoned property
- Up to 20% deviation from lot coverage requirements
- Up to 20% deviation from lot width requirements
- Up to 20% deviation from floor area requirements
- Up to 20% deviation from open space requirements
- Up to 20% additional building height, with the exception of properties within a Specific Plan for which 10% additional building height will be permitted



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- Include area of street and alley dedication for purposes of calculating density
- A reduction or waiver in parking to include:
  - A reduction in parking requirements to not less than 1 parking space per restricted dwelling unit irrespective of the number of habitable rooms.
  - A reduction in parking requirements to not less than ½ parking space per dwelling unit for dwelling units restricted to Very Low or Low Income senior citizens.

### VI. PROCEDURE FOR PROJECTS REQUESTING INCENTIVES/CONCESSIONS

For projects requesting a density bonus and one or more incentives included in the Menu of Incentives/Concessions above, the following procedures shall apply:

- The applicant shall pay the required fee, complete the appropriate environmental clearance and the required form(s) and submit the following to the Department of City Planning: (Note: density bonus projects are eligible for processing by the Expediting Unit, with payment of the appropriate fees.)
  - A summary of the project including location, number and type of housing units, including affordable units and bonus units
  - A parcel profile printout from the Zoning Information Map Access System (ZIMAS) confirming eligibility for the transit corridor incentive (if requested.)
  - 
  - The rationale and accurate supporting information, sufficient to demonstrate that the specific request is necessary to make the affordable units feasible.
  - A site plan including floor plans and elevations of the project. The drawings must clearly and completely illustrate the intent of the project and the necessity of the incentive requested.
  - Photographs of the entire site and surrounding properties.
  - Information that the proposed project has no adverse impact on an Historic Cultural Monument as declared by City, State or Federal government.
- The Director of Planning or his/her designee will review the information provided and issue a determination based on State law and these Guidelines.
- In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.
- Notice and Appeal. Notice of the determination will be provided to the applicant, all owners of properties abutting, across the street or alley from, or having a common corner with the

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~~subject property and the local Certified Neighborhood Council. The determination by the Director of Planning is final unless appealed to the Area Planning Commission within 15 calendar days of the date of mailing. Only the applicant and abutting owners who received notice of the determination have the right to appeal. The decision of the Area Planning Commission is final.~~

### ~~For projects requesting an incentive/concession not on the Menu of Incentives/Concessions or a waiver of a development standard, the following procedures shall apply:~~

- ~~• The applicant shall pay the required fee, complete the appropriate environmental clearance, complete the required form(s) and submit the information listed above for projects requesting an incentive on the Menu.~~
- ~~• Hearing and Notice. The Director of Planning or designee will set the matter for public hearing at which evidence will be taken. Written notices shall be mailed, at least 24 days prior to the date of the hearing, to the Certified Neighborhood Council, applicant, property owners and occupants of property within 500' of the property that is the subject of the request.~~
- ~~• The Director of Planning or his/her designee will prepare a report for the City Planning Commission with conclusions and recommendations. The City Planning Commission decision may be appealed to the City Council.~~
- ~~• In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.~~

## **VI. FAIR HOUSING REQUIREMENTS FOR AFFORDABLE HOUSING IN MIXED INCOME DEVELOPMENTS** ~~VII. DESIGN STANDARDS FOR AFFORDABLE UNITS~~

- 1. Unit Mix.** Except as these requirements conflict with any housing replacement requirements pursuant to state or local law, the number of Restricted Affordable Units that are required in mixed-income housing development projects shall reflect the project's unit type mix, in terms of the number of bedrooms. Five or more bedroom units may be provided for by creating either three or four bedroom Restricted Affordable Units as long as the total number of bedrooms are replaced as affordable. For cases where rounding results in fewer Restricted Affordable Units of a particular number of bedrooms than required, the share of units with the highest remainder shall be rounded up. In cases where rounding would result in more total Restricted Affordable Units than otherwise required, then the share of units with the lowest remainder shall not be rounded. In instances where the remainders are equal, then the larger unit type should be allocated as Restricted Affordable Units.

2. **Unit Size.** Affordable units shall, on average, be no less than 90% of the average square footage of the market rate units for the unit type. In addition, if these requirements conflict with state or local requirements relating to housing replacement or right of return related to the demolition of protected units, the provision resulting in the higher number of bedrooms shall be required.
3. **Quality and Amenities.** Restricted Affordable Units should be generally comparable to market rate dwelling units in construction quality and basic amenities for daily living (laundry, patios/balconies, number of bathrooms, etc.), but may differ in the quality of interior "finish" materials (eg., flooring, cabinetry, hardware, countertops, appliances, light fixtures, bathroom fixtures, trim and moldings, wall coverings, etc).
4. **Distribution.** Restricted affordable units should be interspersed equally on different floors but are not required to be located on a particular floor if the number of units is less than the number of stories. No two restricted affordable units may be located next to each other or isolated to a specific area of the building, such as near the freight elevator or trash room, or vertically stacked. Restricted Affordable Units should generally not be separated into one building, except in cases where the affordable units will be located on the same development site, including across the street, and is necessary, as determined by LAHD, to facilitate either: 1) servicing of special needs populations (e.g. seniors, persons with disabilities, target populations, etc.), that benefit from unique services in their own building, or 2) a relocation plan to house residents being displaced. Units awarded as part of a density bonus pursuant CA Government Code Section 65915 shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located. An applicant can seek an exemption from distribution of Restricted Affordable Units on the top floor for penthouses subject to the approval of LAHD.
5. **Access.** The occupants of the Restricted Affordable Units within a mixed-income multifamily development shall have the same access to the common entrances, areas and amenities as the occupants of the market-rate housing units and may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, internet, TV, and interior amenities such as laundry spaces, dishwashers and microwave ovens. Optional services provided must be optional for all residents, and available to all under the same terms and conditions. Tenants of affordable units cannot be required to purchase additional services.

#### ~~Design of Affordable Units in Mixed-Income Projects~~

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~~Affordable dwelling units shall be generally comparable to market rate dwelling units, including total square footage, bedroom size, closet space amenities, number of bathrooms, etc., except in the quality of interior “finish” materials (e.g., floor and wall coverings). Affordable units should be no less than 90% of the average square footage of the market rate units with the same number of bedrooms. The design of restricted dwelling units should generally reflect the average number of bedrooms per dwelling unit in the development.~~

### ~~Location of Affordable Units within Mixed Income Projects~~

~~Affordable dwelling units must be reasonably interspersed among market rate dwelling units within the same building.~~

### ~~Equal Distribution of Amenities~~

~~Residents of affordable dwelling units may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens. Optional services provided must be optional for all residents, and available to all under the same terms and conditions. Tenants of restricted units cannot be required to purchase additional services.~~

## **VII. RESOURCES FOR PROJECTS REQUESTING DENSITY BONUS OR INCENTIVES/WAIVERS**

### Los Angeles City Planning

Planning Services

Planning Approvals

Los Angeles City Planning Online Application Portal

Housing Services / Priority Housing Program

Affordable Housing Referral Form

### Los Angeles Department of Building and Safety (LADBS)

Affordable Housing Section

BuildLA Appointment System

### Los Angeles Housing Department (LAHD)

Apply for Land Use Services (Land Use Covenants, Replacement Unit Determinations, etc.)

Rent Income Schedules

Replacement Unit Determinations

## **VIII. AFFORDABILITY REQUIREMENTS (SEE APPENDIX FOR HOUSEHOLD INCOME, MAXIMUM RENTS AND PURCHASE PRICES)**

~~The Los Angeles Housing Department (LAHD) establishes the affordability restrictions on household income, based upon State law. These restrictions are subject to annual review and an owner can contact LAHD directly to receive the current restrictions. The examples provided in the Appendix (Section XII of these Guidelines) are for calendar year 2005 and represent the maximum that may~~

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be charged to Moderate, Lower and Very Low Income residents. For all questions about affordability requirements, contact LAHD at (213) 806-8806.

### **IX. LAHD MONITORING REQUIREMENTS**

All projects shall comply with the annual monitoring requirements established by LAHD by means of a Covenant and Agreement. It is the responsibility of the owner to notify LAHD of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted units, or changes in compliance with the Los Angeles Department of Building and Safety (LADBS) requirements.

The following are LAHD requirements (a complete list is found in the LAHD Covenant):

- LAHD reviews all initial tenants' eligibility for affordable, set-aside dwelling units prior to occupancy
- LAHD annually reviews tenants' eligibility for affordable dwelling units.
- Building owners must provide LAHD with an annual review letter identifying the number of restricted dwelling units, household income and size, rent levels, dwelling unit size and verification of vacancies. LAHD may at any time audit a building containing restricted units to monitor the occupancy of these units.
- LAHD may make annual site visits to ensure that the restricted dwelling units are maintained in decent, safe and sanitary condition and that they are provided with the same level of services, including security and maintenance, as are applied to the other dwelling units in the development.
- If violations are found, fees and/or fines may be levied against the owner including the cost of legal action.

### **X. PROCEDURE FOR OBTAINING HOUSING DEPARTMENT SIGN-OFF FOR BUILDING PERMIT APPLICATION**

- In the plan check process, LADBS determines the allowable density.
- LADBS requires a building permit applicant to get a "sign-off" from various City departments, including LAHD, and provides the applicant a "Clearance Summary Worksheet" for this purpose.
- If the project has obtained additional incentive(s) or relief from a development standard, documentation provided by the Department of City Planning should be presented to Building and Safety in the plan check process.
- Owner or his/her representative provides the following information to LAHD, in order for an Agreement Containing Covenants Affecting Real Property (Covenant) to be prepared:
  - Copy of the LADBS Clearance Summary Worksheet
  - Copy of the LADBS "Application for Building Permit and Certificate of Occupancy"

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- ~~o Address of site~~
- ~~o Full legal description of property as specified in the grant deed~~
- ~~o Property owner's name, address and telephone number~~
- ~~o Name and title of individual signing the Agreement on behalf of the owner~~
- ~~o Name, address and phone number of owner's representative~~
- ~~o The incentives being requested and those that require a Covenant~~
- ~~o The original number of units permitted by the zoning, before bonus~~
- ~~o Number of units and bedroom mix of units~~
- ~~o Number of restricted, set-aside units and number of bedrooms contained in each~~
- ~~• LAHD confirms the required number of the restricted affordable units, as specified in the Zoning Code based upon the LADBS Clearance Summary Worksheet, or as required by the Planning Department, and assures that the set-aside units meet all requirements established by these Guidelines~~
- ~~• LAHD determines the rent level or purchase price of the restricted affordable units and prepares a Covenant that establishes the number of such units, the affordability level and the term of affordability.~~
- ~~• The owner signs the Covenant and has it notarized. LAHD then completes the electronic sign-off of the building permit application and has the Covenant recorded by the County of Los Angeles.~~
- ~~• LAHD refers the applicant to LADBS to complete the permitting process.~~

~~Prior to the issuance of any Certificate of Occupancy, the following clearance must be obtained:~~

- ~~• Final clearance from LAHD that all conditions of the Agreement Containing Covenants Affecting Real Property have been met.~~

### VIII. ~~XI~~ CONTACT INFORMATION

Los Angeles Housing Department  
~~Occupancy Monitoring Land Use~~ Section  
[lahd-landuse@lacity.org](mailto:lahd-landuse@lacity.org)  
~~(213) 808-8843~~  
<https://housing2.lacity.org/partners/land-use-covenants>  
~~1200 W. 7<sup>th</sup> Street, 9<sup>th</sup> Floor~~  
~~Los Angeles, CA 90017~~  
~~(213) 808-8806~~

~~Los Angeles Department of Building & Safety~~  
~~201/221 N. Figueroa Street~~  
~~Los Angeles, CA 90012~~  
~~(888) 524-2845~~

Department of City Planning  
Priority Housing Unit  
[201 North Figueroa Street, Suite 525](https://planning.lacity.gov/project-review/affordable-housing)  
[Los Angeles CA, 90012](mailto:planning.priorityhousing@lacity.org)  
[planning.priorityhousing@lacity.org](https://planning.lacity.gov/project-review/affordable-housing)  
<https://planning.lacity.gov/project-review/affordable-housing>  
[City Hall, 200 N. Spring Street, Room 721](https://planning.lacity.gov/project-review/affordable-housing)  
[Los Angeles, CA 90012](https://planning.lacity.gov/project-review/affordable-housing)  
[\(213\) 978-1372](https://planning.lacity.gov/project-review/affordable-housing)

**IX.XII. APPENDIX**

**PERCENTAGE OF SET-ASIDE UNITS AND CORRESPONDING DENSITY BONUS**

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI		LOWER 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%
<u>12%</u>	<u>38.75%</u>	17%	30.50%
<u>13%</u>	<u>42.5%</u>	18%	32.00%
<u>14%</u>	<u>46.25%</u>	19%	33.50%
<u>15%</u>	<u>50%</u>	20%	35.00%
		<u>21%</u>	<u>38.75%</u>
		<u>22%</u>	<u>42.5%</u>
		<u>23%</u>	<u>46.25%</u>
		<u>24%</u>	<u>50%</u>

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**SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING**

<b><u>VERY LOW-INCOME HOUSEHOLDS EARNING &lt;50% AMI</u></b> <b><u>10 UNITS ALLOWED BY THE ZONING</u></b>				
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units</u></b>		<b><u>Total Project Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>	
<u>5% x 10 = .50</u>	<u>1</u>	<u>20% x 10 = 2.00</u>	<u>2</u>	<u>12</u>
<u>6% x 10 = .60</u>	<u>1</u>	<u>22.5% x 10 = 2.25</u>	<u>3</u>	<u>13</u>
<u>7% x 10 = .70</u>	<u>1</u>	<u>25% x 10 = 2.50</u>	<u>3</u>	<u>13</u>
<u>8% x 10 = .80</u>	<u>1</u>	<u>27.5% x 10 = 2.75</u>	<u>3</u>	<u>13</u>
<u>9% x 10 = .90</u>	<u>1</u>	<u>30% x 10 = 3.00</u>	<u>3</u>	<u>13</u>
<u>10% x 10 = 1.0</u>	<u>1</u>	<u>32.5% x 10 = 3.25</u>	<u>4</u>	<u>14</u>
<u>11% x 10 = 1.1</u>	<u>2</u>	<u>35% x 10 = 3.50</u>	<u>4</u>	<u>14</u>

<b><u>LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI</u></b> <b><u>10 UNITS ALLOWED BY THE ZONING</u></b>				
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units</u></b>		<b><u>Total Project Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>	
<u>10% x 10 = 1.0</u>	<u>1</u>	<u>20% x 10 = 2.00</u>	<u>2</u>	<u>12</u>
<u>11% x 10 = 1.1</u>	<u>2</u>	<u>21.5% x 10 = 2.15</u>	<u>3</u>	<u>13</u>
<u>12% x 10 = 1.2</u>	<u>2</u>	<u>23% x 10 = 2.30</u>	<u>3</u>	<u>13</u>
<u>13% x 10 = 1.3</u>	<u>2</u>	<u>24.5% x 10 = 2.45</u>	<u>3</u>	<u>13</u>
<u>14% x 10 = 1.4</u>	<u>2</u>	<u>26% x 10 = 2.60</u>	<u>3</u>	<u>13</u>
<u>15% x 10 = 1.5</u>	<u>2</u>	<u>27.5% x 10 = 2.75</u>	<u>3</u>	<u>13</u>
<u>16% x 10 = 1.6</u>	<u>2</u>	<u>29% x 10 = 2.90</u>	<u>3</u>	<u>13</u>
<u>17% x 10 = 1.7</u>	<u>2</u>	<u>30.5% x 10 = 3.05</u>	<u>4</u>	<u>14</u>
<u>18% x 10 = 1.8</u>	<u>2</u>	<u>32% x 10 = 3.20</u>	<u>4</u>	<u>14</u>
<u>19% x 10 = 1.9</u>	<u>2</u>	<u>33.5% x 10 = 3.35</u>	<u>4</u>	<u>14</u>
<u>20% x 10 = 2.0</u>	<u>2</u>	<u>35% x 10 = 3.50</u>	<u>4</u>	<u>14</u>



Exhibit B.3 - AFFORDABLE HOUSING INCENTIVES GUIDELINES

**SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING**

<b><u>VERY LOW INCOME HOUSEHOLDS EARNING &lt;50% AMI</u></b> <b><u>50 UNITS ALLOWED BY THE ZONING</u></b>				
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units</u></b>		<b><u>Total Project Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>	
<del>5% x 50 = 2.50</del>	<del>3</del>	<del>20% x 50 = 10.00</del>	<del>10</del>	<del>60</del>
<del>6% x 50 = 3.00</del>	<del>3</del>	<del>22.5% x 50 = 11.25</del>	<del>12</del>	<del>62</del>
<del>7% x 50 = 3.50</del>	<del>4</del>	<del>25% x 50 = 12.50</del>	<del>13</del>	<del>63</del>
<del>8% x 50 = 4.00</del>	<del>4</del>	<del>27.5% x 50 = 13.75</del>	<del>14</del>	<del>64</del>
<del>9% x 50 = 4.50</del>	<del>5</del>	<del>30% x 50 = 15.00</del>	<del>15</del>	<del>65</del>
<del>10% x 50 = 5.00</del>	<del>5</del>	<del>32.5% x 50 = 16.25</del>	<del>17</del>	<del>67</del>
<del>11% x 50 = 5.50</del>	<del>6</del>	<del>35% x 50 = 17.50</del>	<del>18</del>	<del>68</del>

<b><u>LOWER INCOME HOUSEHOLDS EARNING 50% - 80% AMI</u></b> <b><u>50 UNITS ALLOWED BY THE ZONING</u></b>				
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units</u></b>		<b><u>Total Project Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>	
<del>10% x 50 = 5.00</del>	<del>5</del>	<del>20% x 50 = 10.00</del>	<del>10</del>	<del>60</del>
<del>11% x 50 = 5.50</del>	<del>6</del>	<del>21.5% x 50 = 10.75</del>	<del>11</del>	<del>61</del>
<del>12% x 50 = 6.00</del>	<del>6</del>	<del>23% x 50 = 11.50</del>	<del>12</del>	<del>62</del>
<del>13% x 50 = 6.50</del>	<del>7</del>	<del>24.5% x 50 = 12.50</del>	<del>13</del>	<del>63</del>
<del>14% x 50 = 7.00</del>	<del>7</del>	<del>26% x 50 = 13.00</del>	<del>13</del>	<del>63</del>
<del>15% x 50 = 7.50</del>	<del>8</del>	<del>27.5% x 50 = 13.75</del>	<del>14</del>	<del>64</del>
<del>16% x 50 = 8.00</del>	<del>8</del>	<del>29% x 50 = 14.50</del>	<del>15</del>	<del>65</del>
<del>17% x 50 = 8.50</del>	<del>9</del>	<del>30.5% x 50 = 15.25</del>	<del>16</del>	<del>66</del>
<del>18% x 50 = 9.00</del>	<del>9</del>	<del>32% x 50 = 16.00</del>	<del>16</del>	<del>66</del>
<del>19% x 50 = 9.50</del>	<del>10</del>	<del>33.5% x 50 = 16.75</del>	<del>17</del>	<del>67</del>
<del>20% x 50 = 10.0</del>	<del>10</del>	<del>35% x 50 = 17.50</del>	<del>18</del>	<del>68</del>

Exhibit B.3 - AFFORDABLE HOUSING INCENTIVES GUIDELINES

**SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING WITH TRANSIT INCENTIVE (EXTRA 10% DENSITY BONUS)**

<b><u>VERY LOW INCOME HOUSEHOLDS EARNING &lt;50% AMI WITH TRANSIT INCENTIVE</u></b> <b><u>10 UNITS ALLOWED BY THE ZONING</u></b>						
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units without Transit Incentive</u></b>		<b><u>Bonus Units with Transit Incentive</u></b>		<b><u>Total Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>		<b><u>Units</u></b>	
<u>5% x 10 = .50</u>	<u>1</u>	<u>20% x 10 = 2.00</u>	<u>2</u>	<u>30% x 10 = 3.00</u>	<u>3</u>	<u>13</u>
<u>6% x 10 = .60</u>	<u>1</u>	<u>22.5% x 10 = 2.25</u>	<u>3</u>	<u>32.5% x 10 = 3.25</u>	<u>4</u>	<u>14</u>
<u>7% x 10 = .70</u>	<u>1</u>	<u>25% x 10 = 2.50</u>	<u>3</u>	<u>35% x 10 = 3.5</u>	<u>4</u>	<u>14</u>
<u>8% x 10 = .80</u>	<u>1</u>	<u>27.5% x 10 = 2.75</u>	<u>3</u>	<u>EXCEEDS 35%</u>	<u>4</u>	<u>14</u>
<u>9% x 10 = .90</u>	<u>1</u>	<u>30% x 10 = 3.00</u>	<u>3</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>10% x 10 = 1.0</u>	<u>1</u>	<u>32.5% x 10 = 3.25</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>11% x 10 = 1.1</u>	<u>2</u>	<u>35% x 10 = 3.50</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>

<b><u>LOWER INCOME HOUSEHOLDS EARNING &lt;50% AMI WITH TRANSIT INCENTIVE</u></b> <b><u>10 UNITS ALLOWED BY THE ZONING</u></b>						
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units without Transit Incentive</u></b>		<b><u>Bonus Units with Transit Incentive</u></b>		<b><u>Total Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>		<b><u>Units</u></b>	
<u>10% x 10 = 1.0</u>	<u>1</u>	<u>20% x 10 = 2.00</u>	<u>2</u>	<u>30% x 10 = 3.00</u>	<u>3</u>	<u>13</u>
<u>11% x 10 = 1.1</u>	<u>2</u>	<u>21.5% x 10 = 2.15</u>	<u>3</u>	<u>31.5% x 10 = 3.15</u>	<u>4</u>	<u>14</u>
<u>12% x 10 = 1.2</u>	<u>2</u>	<u>23% x 10 = 2.30</u>	<u>3</u>	<u>33% x 10 = 3.30</u>	<u>4</u>	<u>14</u>
<u>13% x 10 = 1.3</u>	<u>2</u>	<u>24.5% x 10 = 2.45</u>	<u>3</u>	<u>34.5% x 10 = 3.45</u>	<u>4</u>	<u>14</u>
<u>14% x 10 = 1.4</u>	<u>2</u>	<u>26% x 10 = 2.60</u>	<u>3</u>	<u>EXCEEDS 35%</u>	<u>4</u>	<u>14</u>
<u>15% x 10 = 1.5</u>	<u>2</u>	<u>27.5% x 10 = 2.75</u>	<u>3</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>16% x 10 = 1.6</u>	<u>2</u>	<u>29% x 10 = 2.90</u>	<u>3</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>17% x 10 = 1.7</u>	<u>2</u>	<u>30.5% x 10 = 3.05</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>18% x 10 = 1.8</u>	<u>2</u>	<u>32% x 10 = 3.20</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>19% x 10 = 1.9</u>	<u>2</u>	<u>33.5% x 10 = 3.35</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>
<u>20% x 10 = 2.0</u>	<u>2</u>	<u>35% x 10 = 3.50</u>	<u>4</u>	<u>"</u>	<u>4</u>	<u>14</u>

Exhibit B.3 - AFFORDABLE HOUSING INCENTIVES GUIDELINES

**SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING WITH TRANSIT INCENTIVE (EXTRA 10% BONUS)**

<b><u>VERY LOW INCOME HOUSEHOLDS EARNING &lt;50% AMI WITH TRANSIT INCENTIVE</u></b> <b><u>50 UNITS ALLOWED BY THE ZONING</u></b>						
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units without Transit Incentive</u></b>		<b><u>Bonus Units with Transit Incentive</u></b>		<b><u>Total Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>		<b><u>Units</u></b>	
<u>5% x 50 = 2.50</u>	<u>3</u>	<u>20% x 50 = 10.00</u>	<u>10</u>	<u>30% x 50 = 15.00</u>	<u>15</u>	<u>65</u>
<u>6% x 50 = 3.00</u>	<u>3</u>	<u>22.5% x 50 = 11.25</u>	<u>12</u>	<u>32.5% x 50 = 16.25</u>	<u>17</u>	<u>67</u>
<u>7% x 50 = 3.50</u>	<u>4</u>	<u>25% x 50 = 12.50</u>	<u>13</u>	<u>35% x 50 = 17.5</u>	<u>18</u>	<u>68</u>
<u>8% x 50 = 4.00</u>	<u>4</u>	<u>27.5% x 50 = 13.75</u>	<u>14</u>	<u>EXCEEDS 35%</u>		<u>68</u>
<u>9% x 50 = 4.50</u>	<u>5</u>	<u>30% x 50 = 15.00</u>	<u>15</u>	<u>⋮</u>		<u>68</u>
<u>10% x 50 = 5.00</u>	<u>5</u>	<u>32.5% x 50 = 16.25</u>	<u>17</u>	<u>⋮</u>		<u>68</u>
<u>11% x 50 = 5.50</u>	<u>6</u>	<u>35% x 50 = 17.50</u>	<u>18</u>	<u>⋮</u>		<u>68</u>

<b><u>LOWER INCOME HOUSEHOLDS EARNING &lt;50% AMI WITH TRANSIT INCENTIVE</u></b> <b><u>50 UNITS ALLOWED BY THE ZONING</u></b>						
<b><u>Set-Aside Units</u></b>		<b><u>Bonus Units without Transit Incentive</u></b>		<b><u>Bonus Units with Transit Incentive</u></b>		<b><u>Total Units</u></b>
<b><u>Calculation</u></b>	<b><u>Units</u></b>	<b><u>Calculation</u></b>	<b><u>Units</u></b>		<b><u>Units</u></b>	
<u>10% x 50 = 5.00</u>	<u>5</u>	<u>20% x 50 = 10.00</u>	<u>10</u>	<u>30% x 50 = 15.00</u>	<u>15</u>	<u>65</u>
<u>11% x 50 = 5.50</u>	<u>6</u>	<u>21.5% x 50 = 10.75</u>	<u>11</u>	<u>31.5% x 50 = 15.75</u>	<u>16</u>	<u>66</u>
<u>12% x 50 = 6.00</u>	<u>6</u>	<u>23% x 50 = 11.50</u>	<u>12</u>	<u>33% x 50 = 16.50</u>	<u>17</u>	<u>67</u>
<u>13% x 50 = 6.50</u>	<u>7</u>	<u>24.5% x 50 = 12.50</u>	<u>13</u>	<u>34.5% x 50 = 17.25</u>	<u>18</u>	<u>68</u>
<u>14% x 50 = 7.00</u>	<u>7</u>	<u>26% x 50 = 13.00</u>	<u>13</u>	<u>EXCEEDS 35%</u>		<u>68</u>
<u>15% x 50 = 7.50</u>	<u>8</u>	<u>27.5% x 50 = 13.75</u>	<u>14</u>	<u>⋮</u>		<u>68</u>
<u>16% x 50 = 8.00</u>	<u>8</u>	<u>29% x 50 = 14.50</u>	<u>15</u>	<u>⋮</u>		<u>68</u>
<u>17% x 50 = 8.50</u>	<u>9</u>	<u>30.5% x 50 = 15.25</u>	<u>16</u>	<u>⋮</u>		<u>68</u>
<u>18% x 50 = 9.00</u>	<u>9</u>	<u>32% x 50 = 16.00</u>	<u>16</u>	<u>⋮</u>		<u>68</u>
<u>19% x 50 = 9.50</u>	<u>10</u>	<u>33.5% x 50 = 16.75</u>	<u>17</u>	<u>⋮</u>		<u>68</u>
<u>20% x 50 = 10.0</u>	<u>10</u>	<u>35% x 50 = 17.50</u>	<u>18</u>	<u>⋮</u>		<u>68</u>

**(Please contact Los Angeles City Housing Department at (213) 806-8806 for the most recent Maximum Rents and Income Levels.)**

Exhibit B.3 - AFFORDABLE HOUSING INCENTIVES GUIDELINES

**HOUSEHOLD INCOME TABLE UPDATED FOR 2005**

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

**MAXIMUM RENTS FOR SET-ASIDE UNITS – UPDATED FOR 2005**

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

**MAXIMUM PURCHASE PRICE FOR SET-ASIDE UNITS UPDATED FOR 2005**

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