

## Mixed-Income Housing Zoning Bonus

The mixed-income housing zoning bonus is for developers who add affordable dwellings to their projects or pay into a fund that supports affordable housing. In return, the development gets more floor area, height, and/or dwellings.

Developers can choose from two bonus levels. The “Moderate Income” level is a smaller bonus but has less-strict affordability standards or a lower payment amount. The “Low income” level is a larger bonus but has stricter affordability standards or a higher payment amount.

Developers apply for mixed-income zoning bonuses with the Department of Planning and Development (DPD) through the Philadelphia Planning Commission (PCPC). PCPC must approve the application and may need to review your plans.

### Who can Apply?

Lots zoned RM-2, RM-3, RM-4, RMX-1, RMX-2, RMX-3, IRMX, CMX-3, CMX-4 or CMX-5 can earn more gross floor area. The bonus floor area ranges from 25% to 400% of the lot size.

In Central Delaware (/CDO) or the East Callowhill (/ECO) overlays, lots can earn 48 ft. to 60 ft. of building height.

Lots zoned RM-1, CMX-1, or CMX-2, or CMX-2.5 can earn 25% to 50% more dwellings and possibly 7 ft. of building height.

See the section “What Bonus Can I Earn?” in this document for more details.

### What is Required?

You must know if you are going to build the affordable units or make a payment. Some projects cannot use the payment option. You must also decide the level of affordability you will be using.

To get zoning permits, you will need to complete an **acknowledgment form**. DPD must certify the form.

To get building permits, you will need to enter into a **legal agreement** with the City.

If you want to build the affordable units, DPD will need to review your **affordable building plan** before you get building permits. DPD will also need to **certify tenants/buyers**.

If you want to make a payment, you will need to **make the payment** before you get building permits.

### What is the Cost to Apply?

There is no cost for the review of the acknowledgment form, legal agreements, or the affordable building plan.

If you chose to make a payment, the fee changes based on the zoning district and the bonus level. See the section “How much do I Pay?” in this document for details.

### How Do I Apply?

To apply you must submit a Zoning/Use Permit application to the Department of License and Inspections. You must complete the Acknowledgement Form. Upload the form to eCLIPSE with your online permit application or email it to DPD at [planning.development@phila.gov](mailto:planning.development@phila.gov).

You may be asked to submit a site plan. You may be asked to change information on your site plan to match your application.



## What Bonus can I Earn?

Floor Area Bonus (Additional Gross Floor Area as a Percentage of the Lot Area)											
	RM-2	RM-3	RM-4	RMX-1	RMX-2	RMX-3	IRMX	CMX-3	CMX-3 in /TOD	CMX-4	CMX-5
<b>Moderate Income</b>	25%	50%	100%	50%	75%	150%	150%	150%	200%	150%	300%
<b>Low Income</b>	50%	75%	175%	75%	125%	250%	250%	250%	300%	250%	400%

Height Bonus (Additional Building Height)					
	RM-1*	CMX-1*#	CMX-2*	/ECO Overlay †	/CDO Overlay †
<b>Moderate Income</b>	7 ft.	7 ft.	7 ft.	Up to 48 ft.	Up to 48 ft.
<b>Low Income</b>	7 ft.	7 ft.	7 ft.	Up to 60 ft.	Up to 60 ft.

\* To qualify, you must build 3 or more dwelling units and build the affordable units, You cannot make a payment instead.

# To qualify, your lot must have a height limit of 38 ft. or less, before applying the bonus.

† To qualify, your lot must be in a zoning district with a maximum floor area ratio. You cannot use the bonus for both more floor area and more height.

Dwelling Unit Density Bonus	
	<b>RM-1, CMX-1, CMX-2, CMX-2.5</b>
<b>Moderate Income</b>	25% increase in units allowed*
<b>Low Income</b>	50% increase in units allowed*

\* Units allowed does not include any dwelling units earned under other zoning bonuses.

## How Much do I Pay?

If you build 10 or more units, or less than 50% of your lot's gross floor area is in residential use, you can make a payment instead of building affordable units. You cannot use the payment option if you want to earn a height bonus in RM-1, CMX-1, or CMX-2.

If you make a payment, the fee changes based on the zoning district and the bonus level. Payments are based on the total gross floor area or dwelling units allowed and not how much gross floor area you use or dwelling units you build.

Zoning District	Bonus Level	Payment Formula
RM-2, RM-3, RM-4, RMX-1, RMX-2, RMX-3, IRMX, CMX-3, CMX-4, CMX-5	Moderate Income	\$11.30 x Total Gross Floor Area Allowed*
	Low Income	\$14.60 x Total Gross Floor Area Allowed*
RM-1, CMX-1, CMX-2, CMX-2.5	Moderate Income	\$13,600 x Total Dwelling Units Allowed#
	Low Income	\$17,700 x Total Dwelling Units Allowed#

\* Calculation does not include gross floor area earned from other zoning bonuses. In the Special Flood Hazard Area, height bonus payments are calculated on the lesser total gross floor area used or allowed. Different standards apply for the Optional Special Standards the /CDO overlay.

# Calculation does not include dwelling units earned from other zoning bonuses.

## What are the Affordability Standards?

If you build affordable units, 10% of all units must be affordable and must stay affordable for 50 years.

Affordable units must be spread throughout the development. They must be of similar quality in size, design, appearance, and energy efficiency as the market-rate units in the development.

Affordable income, rent, and sales prices are based on the area median income (AMI). This is reported by the U.S. Department of Housing and Urban Development for the Philadelphia Metropolitan Statistical Area.

Occupancy income requirements change based on actual household size.

Rents and sales prices are based on a set household size. The set household size is 1 person for efficiencies and studios and 1.5 people per bedroom for all other unit types. The actual household size does not need to match this set rent size.

### Rental Units:

Affordable rents must be affordable to households earning up to 50% of AMI under the low income bonus or up to 60% of AMI under the moderate income bonus.

Rent limits are set at 30% of monthly household income at the required AMI based on the set household size. The rent limits include utility costs.

Gross Monthly Rent Limits (2022)						
Unit Size (Set Household Size)	Efficiency/ Studio (1)	1 Bedroom (1.5)	2 Bedroom (3)	3 Bedroom (4.5)	4 Bedroom (6)	5 Bedroom (7.5)
<b>Low Income</b> (50% AMI)	\$922	\$988	\$1,186	\$1,370	\$1,528	\$1,686
<b>Moderate Income</b> (60% AMI)	\$1,107	\$1,186	\$1,423	\$1,644	\$1,834	\$2,024

When a new household first occupies an affordable rental, they can earn up to 50% of AMI for low income units or 60% of AMI for moderate income units.

Rental Unit Income Limits at Household's Initial Occupancy (2022)					
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person
<b>Low Income</b> (50% AMI)	\$36,900	\$42,200	\$47,450	\$52,700	\$56,950
<b>Moderate Income</b> (60% AMI)	\$44,280	\$50,640	\$56,940	\$63,240	\$68,340

A household can continue to occupy the unit until they earn more than 100% of AMI for low income units or 120% of AMI for moderate income units.

Rental Unit Income Limit after Household's Initial Occupancy (2022)					
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person
<b>Low Income</b> (100% AMI)	\$73,800	\$84,400	\$94,900	\$105,400	\$113,900
<b>Moderate Income</b> (120% AMI)	\$88,560	\$101,280	\$113,880	\$126,480	\$136,680



**Owner-Occupied Units:**

Owner-occupied units must be affordable to households earning up to 70% of AMI under the low income bonus or up to 80% of AMI under the moderate income bonus.

The sale and resale price for owner-occupied units are set based on:

- A down payment that is no more than 5% of the purchase price;
- A fixed-rate 30-year mortgage, with a rate equal to the average monthly rate published by Freddie Mac; and
- Household costs that do not exceed 30% of income at required AMI based on set household size. Household costs include mortgage principal and interest, property taxes, property insurance, and condominium or homeowner association fees.

Affordable owner-occupied units must be sold/resold to one or more members of a household with household earnings up to 70% of AMI for low income units or 80% of the AMI for moderate income units for 50 years.

Owner-Occupied Unit income Limits at Sale (2022)					
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person
<b>Low Income</b> (70% AMI)	\$51,660	\$59,010	\$66,430	\$73,780	\$79,660
<b>Moderate Income</b> (80% AMI)	\$59,040	\$67,440	\$75,920	\$84,320	\$91,040

**What if I Have Questions?**

You can contact us at [planning.development@phila.gov](mailto:planning.development@phila.gov).

**Disclaimer**

Affordable housing must be provided and payments in lieu must be made in a manner consistent with the Philadelphia Code and City-issued regulations and code bulletins. If this document conflicts with any adopted regulation, ordinance, or code, the adopted regulation, ordinance, or code will govern.