

# Voluntary Affordable Housing Density Bonus In-Lieu Fee

## Inclusionary Zoning and Affordable Housing Density Bonus In Lieu Fee

Developments within existing Inclusionary Zoning (IZ) overlays (Beltline, Westside Park, and Westside) – must set aside a percentage of units as affordable for at least 20 years or pay an amount per unit as directed by the Department of City Planning called the in lieu fee. Affordable housing density bonus program areas that overlap in MRC-3 and SPI-16 zoning districts operate as the IZ program but are a voluntary addition that can be applied with mandatory IZ requirements. To increase usability and layering of the density bonus programs, the Department of City Planning is introducing a standardized fee calculation and application method across IZ and voluntary affordable density bonus programs.

### Geographic Typologies Assignments

The prevailing building typology within each subarea of the city will dictate which tier of fee pricing is applied to that area. **This is calculated individually for the following geographies:**

- The 10 Beltline Subareas
- The Westside Overlay
- The Westside Park Overlay
- Impact Fee Service Areas: Northside, Southside, and Westside
- Midtown (SPI-16)

**The following inputs feed into the data model that populates the updated fee amount:**

- Market equivalent value – the cost to construct and subsidize an affordable unit based on the total supportable value for the finished unit
- Market cap rate
- Average market rent
- Average affordable rent at 60% of Area Median Income
- Asking rent/sf
- Average operating expenses

### In-Lieu Fee Tiers

The updated schedule provides two tiers of in-lieu fees based on building typology and the relative cost to build within the sub-geography of Atlanta.

**Low-to-Mid:** (Based construction cost)

- Up to 5 stories
- Stick
- Surface parking
- Stairs or elevator

**Mid-to-High:** (Based construction cost)

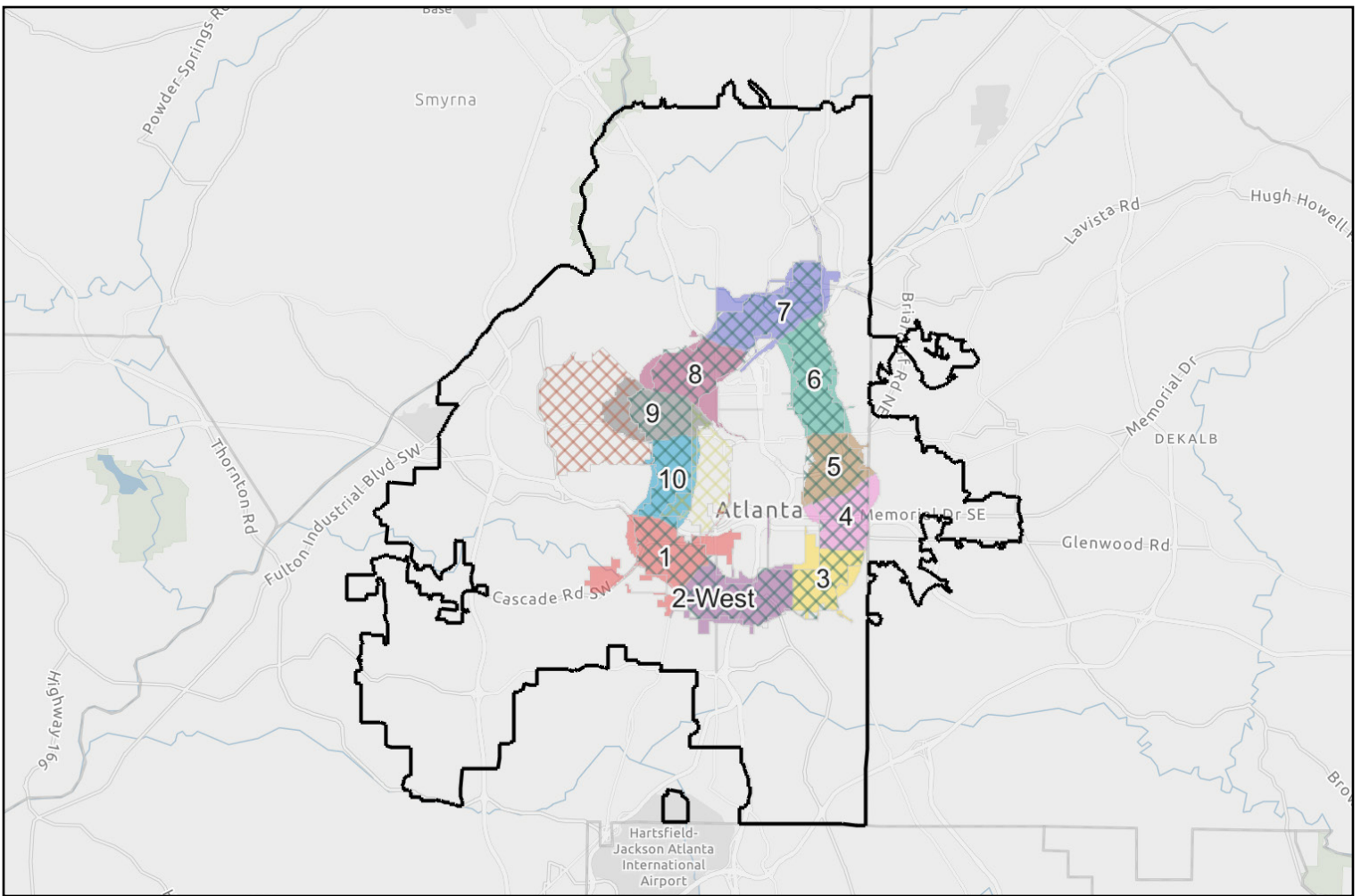
- 5 stories and up
- Stick and concrete or steel and concrete
- Structured parking

Note: In areas where the in-lieu fee for the relevant Beltline Subarea or IZ Overlay conflicts with the underlying Impact Fee Service Area, the higher fee shall apply.

## Use of Funds Generated Through In Lieu Fees

All fees collected through the voluntary affordable housing density and IZ programs will go to separate affordable housing trust funds by geography – separate from the City's primary Housing Trust Fund. All funds generated through the in-lieu fee will be reserved for development as affordable housing in the same geography the fee amount was generated/collected. When collecting fees in the Beltline Overlay, the City will deploy fees to support affordable housing within the same Impact Fee Service Area. (E.g., funds collected in Subarea 2 should be spent in Subareas 2, 3, 4, or 5 – the Subareas that fall within the Southeast Service Area for Impact Fee purposes).





### Inclusionary Zoning In-Lieu Fee Schedule

Inclusionary Zoning Geography Subareas	Previous Fee In-Lieu Fee Schedule	Current In-Lieu Fee Schedule as of 7/1/25
Beltline SA1	\$124,830	\$129,511
Beltline SA2	\$128,394	\$129,511
Beltline SA3	\$136,478	\$244,405
Beltline SA4	\$158,453	\$244,405
Beltline SA5	\$167,364	\$244,405
Beltline SA6	\$141,615	\$244,405
Beltline SA7	\$136,912	\$244,405
Beltline SA8	\$147,498	\$244,405
Beltline SA9	\$131,364	\$244,405
Beltline SA10	\$133,031	\$129,511
Westside	\$131,905	\$244,405
Westside Park	\$150,885	\$129,511

