

Sadowski Affiliates WEBINAR

March 3, 2023

It's Free. Thanks to
support from

**WELLS
FARGO**

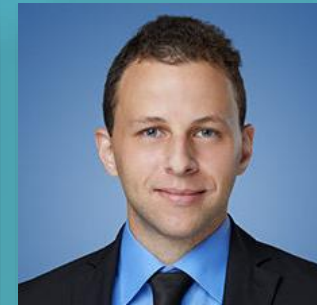


PANELIST



**MARK
HENDRICKSON**
Executive
Director, Florida
ALHFA,
Board Member,
FHC

PANELIST



**KODY
GLAZER**
Legal & Policy
Director, FHC

Webinar Logistics

- All participants are on mute
- We will answer questions at the end of Webinar
- Type your question into the question box on the side panel
- We will not identify who asked the question
- Webinar is recorded and can be found FLHousing.org (www.flhousing.org/past-sadowski-affiliates-webinars/)
- There are handouts that can be downloaded

Sadowski Coalition and Sadowski Affiliates

Sadowski Affiliates are the thousands of organizations and individuals working in concert with the Sadowski Coalition to carry the message of the importance of housing and the need for all Sadowski funds to be used for Sadowski housing programs.



BUSINESS/ INDUSTRY GROUPS

- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Federation of Manufactured Home Owners of Florida
- Florida Apartment Association
- Florida Bankers Association
- Florida Chamber of Commerce
- Florida Economic Development Council
- Florida Green Building Coalition

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- AARP of Florida
- Florida Association of Centers for Independent Living
- Florida Association of Housing and Redevelopment Officials
- Florida Coalition to End Homelessness
- Florida Housing Coalition
- Florida Legal Services

GOVERNMENT/ PLANNING ORGANIZATIONS

- American Planning Assoc., Fla. Ch.
- Florida Association of Counties
- Florida Association of Local Housing Finance Authorities
- Florida Housing Finance Corporation
- Florida League of Cities
- Florida Redevelopment Association
- Florida Regional Councils Association
- 1000 Friends of Florida

BUSINESS/ INDUSTRY GROUPS

- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Realtors
- Florida Restaurant and Lodging Association
- Florida Retail Federation
- Florida Transportation Builders' Assoc.
- Mortgage Bankers Assoc. of Florida
- National Waste and Recycling Assoc.

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- Florida Prosperity Partnership
- Florida Supportive Housing Coalition
- Florida Veterans Foundation
- Florida Weatherization Network
- Healthy Housing Foundation
- LeadingAge Florida
- The Arc of Florida
- United Way of Florida

FAITH BASED ORGANIZATIONS

- Florida Conference of Catholic Bishops
- Florida Impact
- Habitat for Humanity of Florida
- Volunteers of America of Florida



“Live Local Act”

Senate Bill 102
(Calatayud – Miami-Dade)

House Bill 627
(Busatta Cabrera – Miami-Dade)

Addresses a variety of housing issues including
funding, tax incentives, and substantial
amendments to the state’s housing strategy



Funding in SB 102/HB 627

- Proposes a **record \$811 million** for affordable housing programs (including up to \$100 million in a new tax credit program)

Program	SB 102/HB 627	FY 22-23	FY 21-22
SHIP	\$252m	\$209.475m	\$146.7m
SAIL	\$259m*	\$53.25m	\$62.5m
Hurricane Housing Recovery		\$150m	
Hometown Hero Program	\$100m (from GR)	\$100m (from SHTF)	
Inflation Response Program	\$100m**		
Live Local Tax Donation Program	(up to \$100m***)		
Total funding****	\$811,000,000	\$512,725,000	\$209,200,000

*Discussed on slide 7

** If not used by 12/1/23, goes to SAIL

***For SAIL – dependent on contributions to the program

****This does not include member projects or homelessness grant programs.



Sadowski fully funded & more!

- SB 102/HB 627 **fully funds** the Sadowski Trust Fund programs.
- **AND**
 - Provides an extra \$150 million/year for 10 years for the SAIL program
 - Up to \$100 million/year for SAIL through the new Live Local Tax Donation Program
 - Up to \$100 million not used on inflation response program for FY 23/24 for SAIL
- This does not include the value of the new local property tax incentives for certain affordable housing developments.



How the extra \$150 million/year for 10 years for SAIL will be spent

At least
70% for:

Rehab/new construction

Addressing urban infill

Provide for mixed-use housing

Provide housing near military installations

Max of
30% for
projects
that:

Use or lease public lands

Address needs of adults aging out of foster care

Meet needs of elderly persons

Provide housing in areas of rural opportunity

Notes:

- FHFC will have the discretion to issue RFPs for this \$150m
- Local governments, developers, & advocates should follow the FHFC RFP process and start planning for local projects to support



New local option property tax incentive

- SB 102/HB 627 authorizes local governments to provide property tax exemptions for specified affordable housing developments.
- **Eligible developments:**
 - Contain at least 50 or more units
 - At least 20% of the units affordable to households at or below 60% AMI
- Tax exemptions only apply to the affordable units.
- Property tax exemptions allowed are based on % of affordability
 - <100% of the units are affordable = up to 75% property tax exemption:
 - 100% of the units are affordable = up to 100% property tax exemption
- Exemption authorized by City or County expires “before the fourth January 1 after adoption”; can be renewed after expiration



Two new automatic property tax exemptions

1. Land owned entirely by a nonprofit and is leased for a period of 99-years for providing affordable housing to up to moderate-income households.
2. Multifamily developments of more than 70 affordable units for households up to moderate-income.
 - Units that serve households 80-120% AMI = automatic 75% property tax exemption
 - Units that serve households <80% AMI = automatic 100% property tax exemption



Comparing the 70< affordable unit property tax exemption and the local option

	<70 affordable unit exemption	Local option exemption
Local discretion?	No	Yes
Type of development	Multifamily developments w/more than 70 affordable units	Multifamily developments w/50 or more units
Affordability requirement	More than 70 units must be affordable of not less than three years after exemption granted	20% of development must be affordable
Income eligibility	Up to 120% AMI	Up to 60% AMI
Rent limit	No more than rent limit chart derived from the Multifamily Tax Subsidy Projects Income Limits published by HUD <u>or</u> 90% of fair market value rent as determined by a local rental market study	No more than rent limit chart derived from the Multifamily Tax Subsidy Projects Income Limits published by HUD <u>or</u> 90% of fair market value rent as determined by a local rental market study
Exemption authorized	Units at 80-120% AMI = 75% exemption Units <80% AMI = 100% exemption	Up to 75% exemption if fewer than 100% of units are affordable Up to 100% exemption if 100% of units are affordable



Using publicly-owned land for affordable housing

- **F.S. 125.379/166.0451** – Florida’s surplus land laws
 - Requires every city and county to identify publicly-owned lands that are “appropriate for use as affordable housing”
- SB 102/HB 627 amends these statutes to:
 - Newly apply to all dependent special districts, such as CRAs
 - Require local government to post their affordable housing inventory list online
 - Encourage local governments to adopt best practices including:
 - Establishing eligibility criteria for the receipt or purchase of surplus land by developers;
 - Making the process for requesting surplus land publicly available; and
 - Ensuring long-term affordability through ground leases by retaining the right of first refusal to purchase property



Preemptions in SB 102/HB 627

1. Rent control prohibited.
2. Land use preemption for certain affordable housing developments in commercial zones. New F.S. 125.01055(7)/166.04151(7).



Land use standards – Affordable housing in commercial zones

A local government cannot regulate the **use, density, or height** of an affordable housing development if a proposed **rental** project is:

- Multifamily or mixed-use residential in any area zoned for **commercial or mixed use**;
- At least **40% of units are affordable** for households up to **120% AMI** for at least **30 years**
- If mixed-use, **at least 65% is residential**

Local government cannot require a development authorized under this preemption to obtain a zoning/land use change, special exception, conditional use approval, variance, or comp plan amendment for **use, density, or height**.



Land use standards – Affordable housing in commercial zones

Affordable housing developments allowed under this preemption are entitled to:

Use

- Allowed to build multifamily rental or mixed-use in commercial zones without a zoning or land development change

Density

- Highest density allowed on any land in the City or County where residential development is allowed

Height

- Highest currently allowed height for a commercial or residential development within 1 mile of the proposed development or 3 stories, whichever is higher



Land use standards – Affordable housing in commercial zones

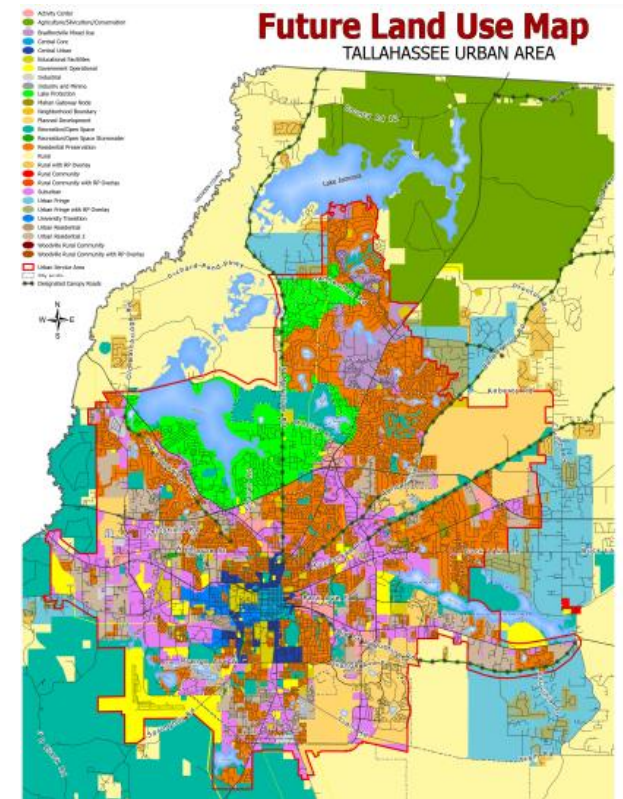
Additional provisions:

- All other state and local laws apply.
 - Ex) setbacks, parking, concurrency, max lot coverage, environmental all still apply – all of which can indirectly limit density and height
- If a proposed project satisfies the existing LDRs and comprehensive plan, project must be administratively approved
- LGs must consider reducing parking requirements if project within one-half mile of a major transit stop



What should local governments do now re: the land use standards for AH?

- Start studying your City or County's commercially zoned sites that could utilize this new statutory tool
- Examine your:
 - Future land use maps and zoning codes
 - Height and density regulations
 - Other zoning barriers (setbacks, parking, max lot coverage, etc.) that might limit the use of this tool
- Ask:
 - How much land is eligible for this state preemption?
 - What types of projects can be expected on eligible parcels?
 - How can the City/County facilitate affordable housing on eligible parcels?



“HB 1339” (2020) land use tool amended

F.S. 125.01055(6)/166.04151(6): currently allows local government to approve affordable housing developments on any parcel zoned for a **residential**, **commercial**, or **industrial** use without needing a rezoning or comprehensive plan amendment.

What SB 102/HB 627 does:

- Strikes out “residential”
- Removes the prohibition on SAIL funded projects



Comparing the new land use preemption in SB 102 & “HB 1339”

	F.S. 125.01055(7)/166.04151(7)	F.S. 125.01055(6)/166.04151(6) – as amended
Local discretion?	Not for use, density, and height	Yes
Eligible zones	Commercial	Commercial & Industrial
Types of development	Multifamily rental or mixed-use residential	Any multifamily or mixed-use residential project (rental or ownership)
Affordability requirement	At least 40% of the units must be affordable for 30 years	At least 10% of the units must be affordable
Local authority	Preempted on use, height, or density All other state and local laws apply	Discretion to regulate in any manner



Encouraging local governments to adopt best practices

- **Section 26** of SB 102 has several provisions encouraging local governments to adopt best practices on their own – these provisions may form the basis of preemptions in future Legislative sessions. These provisions include:
 - “Local government shall provide incentives to encourage the private sector to be the primary delivery vehicle for the development of affordable housing.” (lines 1927-1929)
 - “Local governments should consider and implement innovative solutions . . . Innovative solutions include: (lines 1937-1957)
 - “Utilizing publicly held land to develop affordable housing . . .”
 - “Community-led planning that focuses on urban infill, flexible zoning, redevelopment of commercial property into mixed-use property . . .”
 - “Project features that maximize efficiency in land and resource use, such as high density, high rise, and mixed use.”
 - “Modern housing concepts such as manufactured homes, tiny homes, 3D-printed homes, and accessory dwelling units.”



Other policies in SB 102/HB 627 affecting local government

- Requires local governments to post expediting permitting procedures online
- Precludes state funding for housing to local governments whose comprehensive plans have been found not in compliance with Chapter 163



Other reforms

- Provides sales tax relief for building materials for certain affordable housing developments
- Addresses using nonconservation state owned land for affordable housing
- Expands Florida Job Growth Grant Fund to support public infrastructure projects to facilitate the production of affordable housing
- Substantially amends the state housing strategy at s. 420.0003
- Directs OPPAGA to produce policy reports on affordable housing issues
- Amends FHFC board makeup
- Authorizes FHFC to contract with the Catalyst Program to provide training to local governments specifically on using publicly-owned land for affordable housing



Sadowski Affiliate Webinars

- Next Webinar will be March 10th at 11:30am
- And regularly every Friday at 11:30 am throughout the 2023 Session.
- Registration Links will be sent out – feel free to forward



Contact Us



For Assistance Contact

Kody Glazer

Legal & Policy Director
Florida Housing Coalition

Glazer@FLHousing.org

(954) 804-1320

