



The New Property Tax Exemptions for Affordable Housing in the Live Local Act

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The Live Local Act ushered in a new era in how the state approaches affordable housing policy. Not only did the Act fully fund our state's core Sadowski affordable housing programs in SHIP and SAIL at \$511 million, but it contained a variety of tax incentives, land use policies, publicly owned land tools, and other strategic initiatives aimed at building more affordable homes in Florida. This document summarizes the three new property tax exemptions contained in the Live Local Act. The first two property tax exemptions provided below must be utilized by local property appraisers if a property owner follows the various processes laid out in the Act. The third exemption is a new optional local property tax incentive that cities and counties have the discretion to adopt.

1. "Missing Middle" Property Tax Exemption - new s. 196.1978(3), Florida Statutes

Newly constructed multifamily developments with more than 70 affordable units for households up to 120% AMI are eligible to receive property tax exemptions for the affordable units provided. Units within eligible developments that serve households from 80-120% AMI receive a 75% property tax exemption and units that serve households below 80% AMI receive a 100% property tax exemption.

There is a two-step process for property owners to receive this exemption. First, property owners must apply for and receive a "certification notice" from the Florida Housing Finance Corporation (FHFC) certifying that the property is eligible for the exemption. FHFC is responsible for creating the application process to provide such notices based on guidance in the Live Local Act. Second, if the property owner receives this "certification notice", they must then apply to their local property appraiser for a formal exemption. The exemption will need to be renewed each year per the local property appraiser's typical process for renewing property tax exemptions and the property owner must swear, under penalty of perjury, that the property will be affordable for at least 3 years after initially receiving the exemption. In other words, starting in year 4, a property owner can choose to convert the affordable units to market-rate but will have to forgo the property tax exemption.

2. Nonprofit Land w/a 99-Year Ground Lease Exemption – new s. 196.1978(1)(b), Florida Statutes

With this new exemption, land owned entirely by a 501(c)(3) organization that is leased for a minimum of 99 years for the purpose of, and is predominantly used for, providing affordable housing to households at or below 120% AMI is exempt from property taxes. Land is "predominantly used" for affordable housing if greater than 50 percent of the square footage of the improvements are used to provide affordable housing. Note that only the land is exempt from property taxes with this exemption.

3. Local Option Property Tax Exemption – new s. 196.1979, Florida Statutes

Section 9 of the Live Local Act grants cities and counties a new tool to encourage the development of affordable housing. At the newly created s. 196.1979 of the Florida Statutes, Florida's local governments now have the discretion to provide ad valorem tax exemptions to developments with 50 or more units that set aside at least 20% of its units as affordable housing to households making 60% or below AMI. The Act provides the process by which local governments can enact this new local option.

Contact Us for More Information.

Whether you are with a local government wanting to learn more or a property owner or developer seeking to utilize these new exemptions, we at the Florida Housing Coalition can assist you with your needs. Contact Kody Glazer at glazer@flhousing.org for more information.