

The Live Local Act's Property Tax Exemptions for Affordable Housing

June 6,
2024
2:00pm



THE FLORIDA
HOUSING
COALITION



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Florida Housing
Finance Corporation



About the Florida Housing Coalition

Statewide nonprofit organization providing training and technical assistance to local governments and nonprofits on all things affordable housing

Our work covers:

- Compliance with local, state, and federal affordable housing programs
- Affordable housing program design
- Capacity building for nonprofit housing providers
- Land use planning for affordable housing
- Research & data gathering

We can provide free training and technical assistance to you under the Catalyst Program.



AFFORDABLE HOUSING CATALYST PROGRAM

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we make housing affordable™

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COALITION



FHC Presenters



Kody Glazer
Chief Legal and Policy Officer
glazer@flhousing.org

Presenters - Missing Middle Property Tax Exemption Discussion



Marisa Button

Florida Housing Finance Corporation
Managing Director of Strategic Initiatives
Marisa.Button@floridahousing.org



Bobby Anderson

Alliance Residential Company
Managing Director
banderson@allresco.com

Presenters - Local Option Property Tax Exemption St. Petersburg, FL



Jackie DeSpirt

Jackie.despirt@stpete.org

Stephanie Lampe

stephanie.lampe@stpete.org

Mark Van Lue

mark.vanlue@stpete.org

Webinar Logistics

- All participants are on mute
- Please type in your questions and comments into the question box on the side panel.
- We will not identify who has asked a question.
- Webinar is recorded.
- PPT is provided as a handout.
- For follow-up information or problems downloading handouts, please contact glazer@flhousing.org.

Agenda

1. The Live Local Act
2. Pre-LLA Affordable Housing Property Tax Exemptions
3. “Missing middle” Property Tax Exemption
4. Local Option Property Tax Exemption
5. Affordable Housing Land Exemption for Non-Profit, section 501(c)(3) Qualified Owners

The Live Local Act



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Live Local Act - 2023

Senate Bill 102
(Calatayud)

House Bill 627
(Busatta Cabrera)

3/8/23: Passed Senate unanimously

3/23/23: Passed House 103-6

3/29/23: Signed into Law





Live Local Amendment Bill - 2024

Senate Bill 328
(Calatayud)

House Bill 1239
(Lopez, V.)

2/7/24: Passed Senate unanimously

2/28/24: Passed House 112-1

5/16/24: Signed into Law

Bill went into effect upon signing of the
law.



Live Local “cheat sheet”

Funding & property tax incentives

- SHIP & SAIL
- Missing middle property tax exemption (s. 196.1978(3))
- Local option property tax exemption (s. 196.1979)
- Local funding sources

Land use tools

- Mandate for AH in commercial, industrial, and mixed-use zones (ss. 125.01055(7)/166.04151(7))
- Optional land use tool (ss. 125.01055(6)/166.04151(6))

Publicly owned land

- Identifying public land “appropriate” for affordable housing (ss. 125.379/166.0451)
- Using public land for permanently/long-term public good

Other innovative housing solutions

- Zoning reforms to allow more homes by-right
- Local incentive programs
- Guided growth
- Innovative building techniques

Cheat Sheet - Property tax incentives in the Live Local Act

1. Local option affordable housing property tax exemption

- Grants local governments the **option** to enact an ordinance providing property tax exemptions to certain affordable housing developments
- Eligible developments: 50 or more units that set aside at least 20% of the units as affordable to households at or below 60% AMI
- **Jacksonville and St. Petersburg**— first two jurisdictions to enact this exemption

2. Nonprofit land used for affordable housing with a 99-year ground lease

- Provides a property tax exemption on the value of land owned by a nonprofit and leased for a period of 99 years to predominately provide affordable housing to households at or below 120% AMI

3. “Missing middle” property tax exemption

- Provides a property tax exemption to developments that have **more than 70 affordable units** to households at or below 120% AMI
- Units affordable to households 80-120% AMI = 75% property tax exemption; Units for <80% AMI = 100% property tax exemption
- Two-step application process: 1) FHFC; 2) County Property Appraiser



FLORIDA

**AD VALOREM TAX EXEMPTION APPLICATION AND RETURN
FOR MULTIFAMILY PROJECT AND
AFFORDABLE HOUSING PROPERTY**

Sections 196.1978 and 196.1979, Florida Statutes

DR-504AFH
R. 02/24
Rule 12D-16.002, F.A.C.
Effective 02/24
Page 1 of 7

Form DR-504AFH will
be your best friend!!
(can be downloaded
as a handout)

This application is for use by owners of affordable housing for persons or families with certain income limits, as provided in sections (ss.) 196.1978 and 196.1979, Florida Statutes (F.S.), to apply for a (select one):

- A. Affordable Housing Property Exemption for Non-Profit, section 501(c)(3) Qualified Owners:
Complete page 2 (Section A) and attach with signature page 1 and attach required documentation from page 7. Section 196.1978(1)(a), F.S.
- B. Affordable Housing Land Exemption for Non-Profit, section 501(c)(3) Qualified Owners:
Complete page 3 (Section B) and attach with signature page 1 and attach required documentation from page 7. Section 196.1978(1)(b), F.S.
- C. Multifamily Project Exemption for Recorded Agreement with the Florida Housing Finance Corporation:
Complete page 4 (Section C.) and attach with signature page 1. Section 196.1978(2), F.S.
- D. Newly Constructed Multifamily Project Exemption:
Complete page 5 (Section D.) and attach with signature page 1. Section 196.1978(3), F.S.
- E. County & Municipal Affordable Housing Exemption on Multifamily Properties:
Complete page 6 (Section E.) and attach with signature page 1. Section 196.1979, F.S.

This completed application, including all required attachments, must be filed with the county property appraiser on or before **March 1 of the current tax year.**

General Information (ALL applicants must complete this section)			
Applicant name			
Mailing address		Physical address, if different	

Pre-LLA Affordable Housing Property Tax Policies



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Three elements of a Property Tax Bill in Florida

- 1) Just Value – market value of a property; generally considered the price at which a property would sell for in the open market
- 2) Assessed Value – Just value minus any assessment limitations. (think Save our Homes Cap)
- 3) Taxable Value – Assessed value minus any eligible property tax exemptions. The value at which property taxes are based on (millage rate is applied to this value) **This is where property tax exemptions are applied.**

Various property tax policies address each element of the property tax bill.

Just Value Policies for Affordable Housing

S. 193.018 – CLT Appraisal Statute

- Eligible Properties: Property owned by a Community Land Trust (CLT) and leased under a 99-year ground lease for affordable homeownership.
- Statute directs county property appraisers to consider the resale-restricted value of the property when arriving at the just value.

S. 193.017– LIHTC Property Appraisal Statute

- Eligible Properties: Property receiving a LIHTC from FHFC.
- Statute directs county property appraisers to consider specific criteria to arrive at just value including actual rental income, costs, and long-term affordability commitments.

Affordable Housing Property Tax Exemptions pre-LLA

S. 196.1978(1) – Affordable Housing Property Tax Exemption

- Eligible Properties: Portions of property “owned entirely” and operated by a **501(c)(3)** to provide affordable housing to households at or below 120% AMI.
- Full exemption on eligible properties.

S. 196.1978(2) – Multifamily Property Exemption

- Eligible Properties: Multifamily projects that 1) contain more than 70 units affordable to households at or below 80% AMI; 2) Be subject to a recorded agreement with FHFC (for FHFC funding)
- Exemption starts after year 15.

“Missing Middle” Property Tax Exemption



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Multifamily Middle Market ("Missing Middle") property tax exemption

- Provides a property tax exemption to “newly constructed” developments that have **more than 70 affordable units** to households **at or below 120% AMI**.
 - Or, **if within an area of critical state concern**, newly constructed developments with **more than 10 affordable units** for households at or below 120% AMI.
- Affordability threshold options:
 - Units affordable to households 80-120% AMI = 75% property tax exemption
 - Units for <80% AMI = 100% property tax exemption
- Only the **affordable units** within an eligible development are eligible for the exemption.
- “Newly constructed” means an “improvement to real property which was substantially completed within 5 years before the date of an applicant’s first submission of a request for a certification notice.”

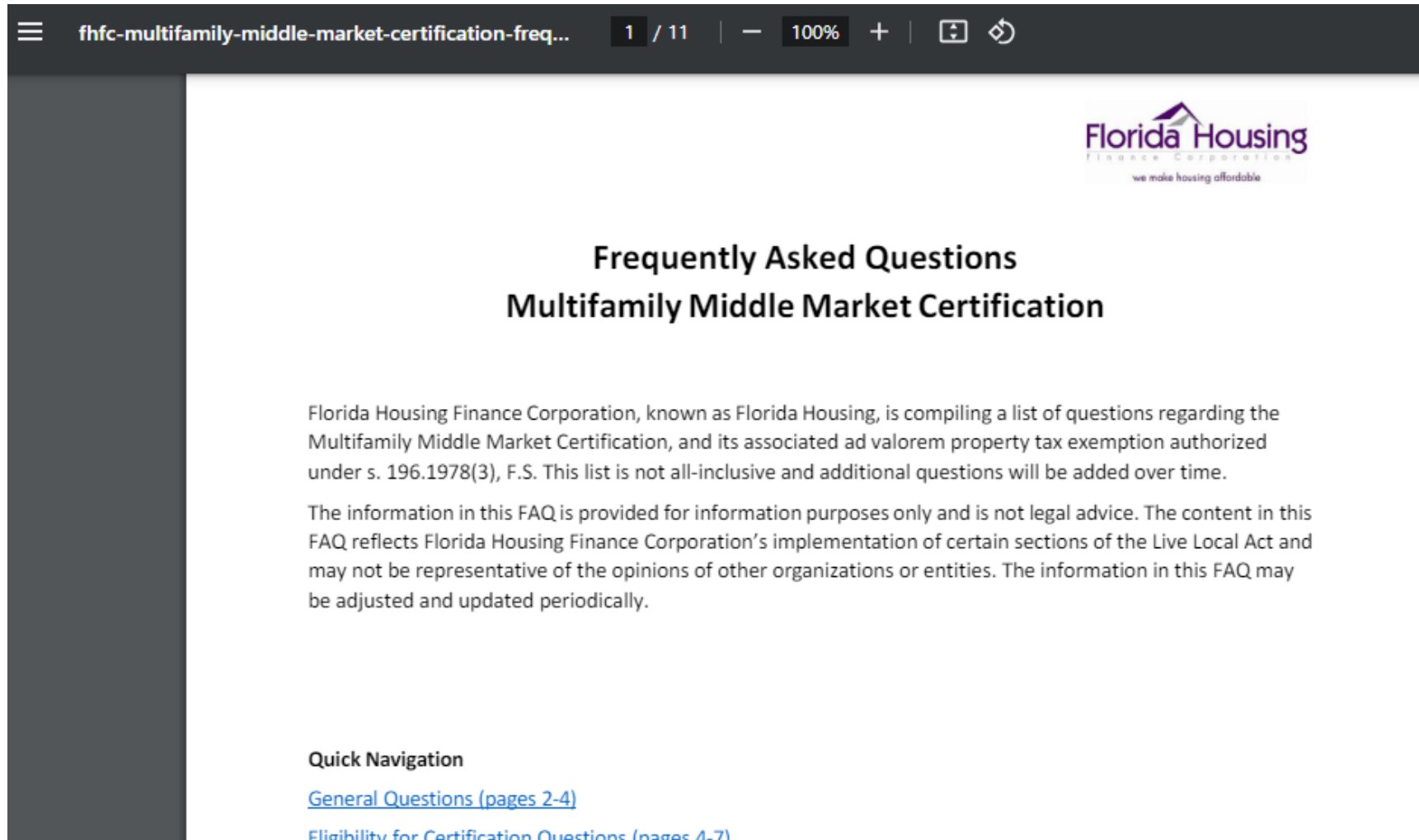
Multifamily Middle Market ("Missing Middle") property tax exemption cont.

- Two-step application process:
 - 1) Florida Housing Finance Corporation (Sept-Dec) to receive a **certification notice**.
 - 2) County Property Appraiser (by March 1) to formally receive the **exemption**.
- Maximum rents based on HUD's Multifamily Tax Subsidy Projects Income Limits or 90% of Fair Market Value as determined by a **local rental market study**, whichever is less.
- Eligible properties must renew exemption each year with FHFC and local property appraiser – if units are no longer affordable to targeted income range, exemption is removed.

The Rental Market Study – s. 196.1978(3)(l)

- Purpose is to identify the fair market value rent for each unit that the property owner seeks an exemption.
- Must be completed within 3 years before a certification notice is requested.
- Must be done by an independent certified general appraiser and “use comparable property within the same geographic area and of the same type as the property for which the exemption is sought.”
- Rents must be set at the rent limits posted by HUD or 90% of the fair market value rent determined by the rental study, **whichever is less.**

See FAQs on Florida Housing Finance Corporation's Website



Role of the County Property Appraiser

- Once a property owner receives a **certification notice** from FHFC, they must complete and submit **Department of Revenue Form 504AFH** to the local county property appraiser.
- The County Property Appraiser is the entity that formally grants the property tax exemption – not FHFC.
- Each Property Appraiser may have their own process for providing the exemption.



**AD VALOREM TAX EXEMPTION APPLICATION AND RETURN
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This completed application, including all required attachments, must be filed with the county property appraiser on or before **March 1 of the current tax year.**

General Information (ALL applicants must complete this section)			
Applicant name			
Mailing address		Physical address, if different	

Role of the County Property Appraiser

S. 196.1978(3)(e):

(e) To be eligible to receive an exemption under this subsection, a property owner must submit an application on a form prescribed by the department by March 1 for the exemption, accompanied by a certification notice from the corporation to the property appraiser. The property appraiser shall review the application and determine whether the applicant meets all of the requirements of this subsection and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice and which the property appraiser determines is entitled to an exemption.

Additional information sought by a property appraiser?

- Depends on the county property appraiser.
- Property appraiser could request more detailed income and rent verification documents than provided to FHFC.

Providing an accurate exemption

- Exemption only can be provided against the value of the **affordable units**.
- Each property appraiser will need to specially quantify the value of the affordable units vs. the market-rate units in a development. (sq footage basis? Unit totals? Unclear!)
- S. 196.1978(3)(d)2.:
 - “When determining the value of a unit for purposes of applying an exemption pursuant to this paragraph, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.”

NEW! MMM property tax exemption opt-out for eligible taxing authorities

- Adopted in House Bill 7073 (2024)
- Allows taxing authorities to “opt-out” of the **80-120% AMI** “missing middle” property tax exemption if:
 - The taxing authority is located in a county where the number of affordable/available units for 0-120% AMI is greater than the number of renter households at that income level as determined by the “**most recently published**” Shimberg Center for Housing Studies Annual Report; and
 - The governing body of the taxing authority votes by a 2/3 majority to “opt-out”
- Jurisdiction must renew “opt-out” each year by Jan 1 of the applicable tax year.
- Opt-out only applies to the property taxes of the specific taxing authority that opts-out (City, County, school board, special district, etc. . .)
- **Property owners** getting exemption initially can continue applying for and receiving it (note: grandfather clause applies to the property owner, not the project)

HB 7073 – “opt-out” for the 80-120% AMI “Missing Middle” exemption

APPENDIX 4. SURPLUS/DEFICIT OF AFFORDABLE AND AVAILABLE RENTAL HOUSING UNITS BY INCOME (% AMI), FLORIDA REGIONS, 2022

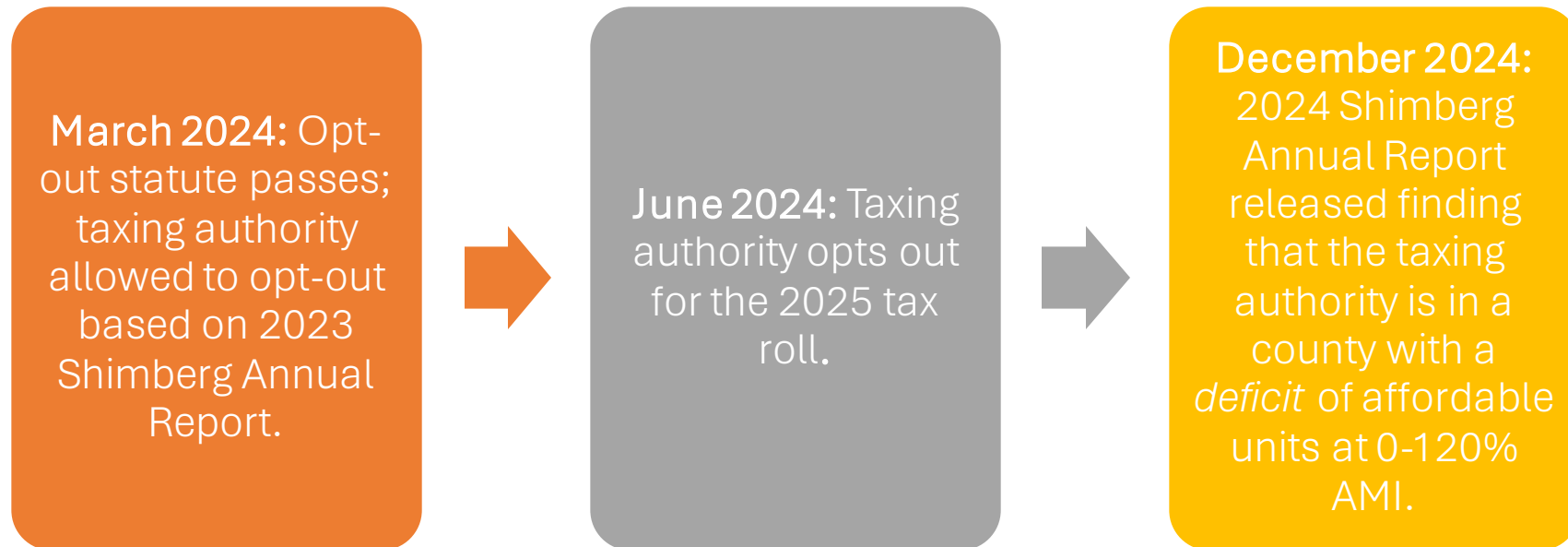
Region	Counties	Affordable/Available Units Minus Renter Households					0-120% AMI
		0-30% AMI	0-40% AMI	0-50% AMI	0-60% AMI	0-80% AMI	
Cape Coral-Fort Myers, FL MSA	Lee	-12,127	-13,378	-18,568	-17,272	-12,349	-1,135
Deltona-Daytona Beach-Ormond Beach, FL MSA & Palm Coast, FL MSA	Flagler, Volusia	-10,014	-12,451	-15,516	-15,234	-9,359	-357
Fort Walton Beach-Crestview-Destin, FL MSA	Okaloosa	-1,883	-2,668	-3,766	-2,908	-2,236	1,338
Ft. Lauderdale	Broward	-38,051	-54,391	-70,488	-83,786	-84,246	-33,237
Gainesville, FL MSA (minus Gilchrist)	Alachua	-4,632	-6,362	-6,030	-3,822	2,323	3,351
Homosassa Springs, FL MSA	Citrus	-2,043	-2,341	-2,636	-2,663	-893	-620
Jacksonville, FL MSA plus Putnam	Baker, Clay, Duval, Nassau, Putnam, St. Johns	-33,046	-38,430	-42,592	-33,940	-20,099	4,418
Lakeland, FL MSA	Polk	-12,578	-17,497	-20,489	-18,582	-13,186	248
Miami-Dade Plus Monroe	Miami-Dade, Monroe	-62,467	-93,480	-108,871	-130,410	-134,458	-61,721
Naples-Marco Island, FL MSA	Collier	-4,858	-7,220	-10,087	-9,861	-7,936	-1,247
Northeast Nonmetropolitan Area (plus Gilchrist)	Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Madison, Suwannee, Taylor, Union	-3,311	-3,468	-4,482	-2,139	-51	865
Northwest Nonmetropolitan Area (plus Gadsden, Jefferson, & Wakulla)	Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Liberty, Wakulla, Walton, Washington	-4,521	-5,296	-4,372	-3,242	-1,003	36
Ocala, FL MSA	Marion	-6,173	-5,378	-6,830	-5,029	-1,586	3,216
Orlando-Kissimmee, FL MSA	Lake, Orange, Osceola, Seminole	-51,154	-70,138	-89,107	-94,715	-77,753	799
Palm Bay-Melbourne-Titusville, FL MSA	Brevard	-8,504	-11,491	-9,241	-6,901	-691	6,565
Panama City-Lynn Haven, FL MSA	Bay	-3,086	-3,254	-4,840	-4,839	-3,626	1,151
Pensacola-Ferry Pass-Brent, FL MSA	Escambia, Santa Rosa	-9,841	-11,125	-12,909	-9,855	-3,894	-612
Port St. Lucie, FL MSA	Martin, St. Lucie	-7,410	-8,979	-9,712	-8,956	-6,229	683

Must have surplus to opt out

Timeline & process for opting out of the 80-120% AMI exemption

- Note: 1) Opt-out must be done by January 1 of the applicable tax year; and 2) opt-out eligibility depends on the “**most recently published**” Shimberg Annual Report
- Ex) An eligible taxing authority that wants to opt out for the 2025 tax year must adopt an “**ordinance or resolution**” that goes into effect on the “**January 1 immediately succeeding adoption.**”
- **BIG NOTE:** Next Shimberg Annual Report will not be released likely until December 2024. The 2024 Report will be the official document that governs which taxing authorities can definitively opt-out for the 2025 tax roll.

Hypothetical situation: A taxing authority's opt-out becomes moot.



What happens now?!?

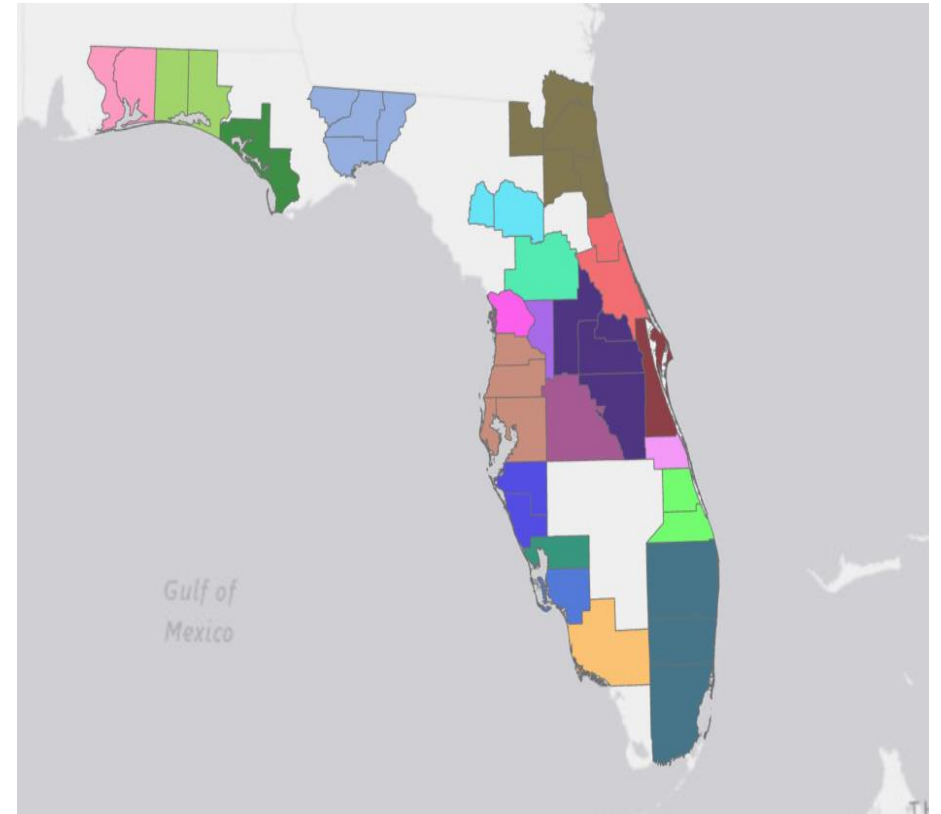
The taxing authority's opt-out for the 2025 tax roll is **moot**.

Counties on the *edge* (within 1,000 units of a deficit as of the 2023 Annual Report)

- Bradford
- Columbia
- Dixie
- Gilchrist
- Hamilton
- Lafayette
- Levy
- Madison
- Suwannee
- Taylor
- Union
- Lake
- Orange
- Osceola
- Seminole
- Martin
- St. Lucie
- Indian River
- Okeechobee
- Sumter

To opt-out? Or not to opt-out?

- Note that the surplus/deficit numbers in the Shimberg Annual Report are based on the **Metropolitan Statistical Area (MSA)**, or if not within an MSA, groupings of counties.
- Individual cities and counties within an MSA may have **deficits** of affordable housing at 0-120% AMI although the MSA data shows a **surplus**.
- It is vitally important to understand local housing needs before opting out.



Map of MSAs in Florida

Opt-out status - Small Counties

<u>CAN</u> opt out	<u>CANNOT</u> opt out
Baker	DeSoto
Bradford	Glades
Calhoun	Hardee
Columbia	Hendry
Dixie	Monroe
Franklin	
Gadsden	
Gilchrist	
Gulf	
Hamilton	
Holmes	
Jackson	
Jefferson	
Lafayette	
Levy	
Liberty	
Madison	
Nassau	
Okeechobee	
Putnam	
Suwannee	
Taylor	
Union	
Wakulla	
Washington	

Opt-out status - Medium Counties

<u>CAN</u> opt out	<u>CANNOT</u> opt out
Alachua	Charlotte
Bay	Citrus
Brevard	Collier
Clay	Escambia
Hernando	Flagler
Indian River	Highlands
Lake	Santa Rosa
Leon	Volusia
Manatee	
Marion	
Martin	
Okaloosa	
Osceola	
Pasco	
Polk	
St. Johns	
St. Lucie	
Sarasota	
Seminole	
Sumter	

Opt-out status - Large Counties

<u>CAN</u> opt out	<u>CANNOT</u> opt out
Duval	Broward
Hillsborough	Miami-Dade
Orange	Palm Beach
Pinellas	

Missing Middle Tax Exemption

Marisa Button
Managing Director of Strategic Initiatives

The Florida Housing Coalition
June 6, 2024

Overview of Florida Housing Finance Corporation

- Chapter 420, Part V, Florida Statutes governs Florida Housing Finance Corporation (FHFC).
- FHFC was created to meet statewide affordable and workforce housing needs through the administration and implementation of programs related to the allocation of resources for the development and preservation of rental housing and homeownership opportunities.
- FHFC is governed by an eleven-member Board of Directors. The Governor appoints nine members. The Senate and House appoint one member each.
- The 2023 Live Local Act expanded FHFC programming!

Guiding Principles of Florida Housing Finance Corporation

- Prioritize mission and strategic plan.
- Conduct data-based decision making.
- Obtain public and stakeholder feedback and participation.
- Operate with transparency.
- Administer programs with maximum flexibility for market conditions.
- Ensure predictability for private sector financing partners.

Missing Middle Tax Exemption

- Ad valorem property tax exemption for multifamily rental developments at:
 - ❖ 75% of the assessed value - if the property leases housing to natural persons or families whose annual household income is greater than 80% AMI, but no more than 120% AMI.
 - ❖ 100% of the assessed value - if the property leases housing to natural persons or families whose annual household income does not exceed 80 AMI.
- The property must contain more than 70 units dedicated to persons or households whose incomes are no more than 120% AMI.
 - ❖ The Area Median Income (AMI) is determined through multifamily rental programs income and rent limit chart derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development, or 90% of the fair market value rent as determined by a qualifying rental market study.

Missing Middle Tax Exemption

Certification Notice Does Not Guarantee Exemption Approval!

- Florida Housing's Role:
 - ❖ Process Middle Market Certification requests from owners.
 - ❖ Review specific requirements for Annual Certification:
 - ❖ Number of Units
 - ❖ Proper Appraisal
 - ❖ Income limit and rent limit designations
 - ❖ Obtain owner verification

- Property Appraiser's Role:
 - ❖ Review eligibility requirements, including certifications.
 - ❖ Option to request any additional income verification information.
 - ❖ Determine approval or denial of exemption.

Multifamily Middle Market Certification

What Do I Need to Apply?

- Register for Middle Market Certification list serv to track deadlines.
- Portal will open for the 2025 tax year in the fall of 2025.
- Create portal account and user registration.
- Be aware of deadline for certification request, gather all owner and development information.
- Download template for request from portal and complete template.
 - Section 1: General Information
 - Section 2: Rental Market Study Rates
 - Section 3: Parcels and Units Under Consideration
 - Section 4: Unit Information
 - Section 5: Owner's Certification
- Obtain appraisal from licensed appraiser.
- Submit request including completed template and appraisal by deadline.
- After January 1, owner must confirm certification information applicable in 2025.

Multifamily Middle Market Certification

DOs and DON'Ts

- **DO:**
 - Read the FAQs
 - Download the template as soon as possible.
 - Read the “How-to Guide” step by step guide.
 - Make sure the development will be occupied by January 1, 2025.

- **DON'T**
 - Call for advice without reading the FAQs, How-to Guide, downloading and reviewing the template.
 - Ask Florida Housing to interpret eligibility questions that are outside the purview of Florida Housing.
 - Wait until the last week/day/minute to apply.

FHFC Live Local Act Listserv

- By signing up for the Listserv, you will receive updates via email.
- Go to our Live Local Act page, <https://www.floridahousing.org/live-local-act>, and click on “Sign Up for Each Live Local Act Program’s ListServ.”
- Contact: Marisa Button
Managing Director of Strategic Initiatives
Marisa.Button@floridahousing.org

we make housing affordable



227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
850.488.4197 • 850.488.9809 Fax

Thank you!

www.floridahousing.org

Guest Presenter



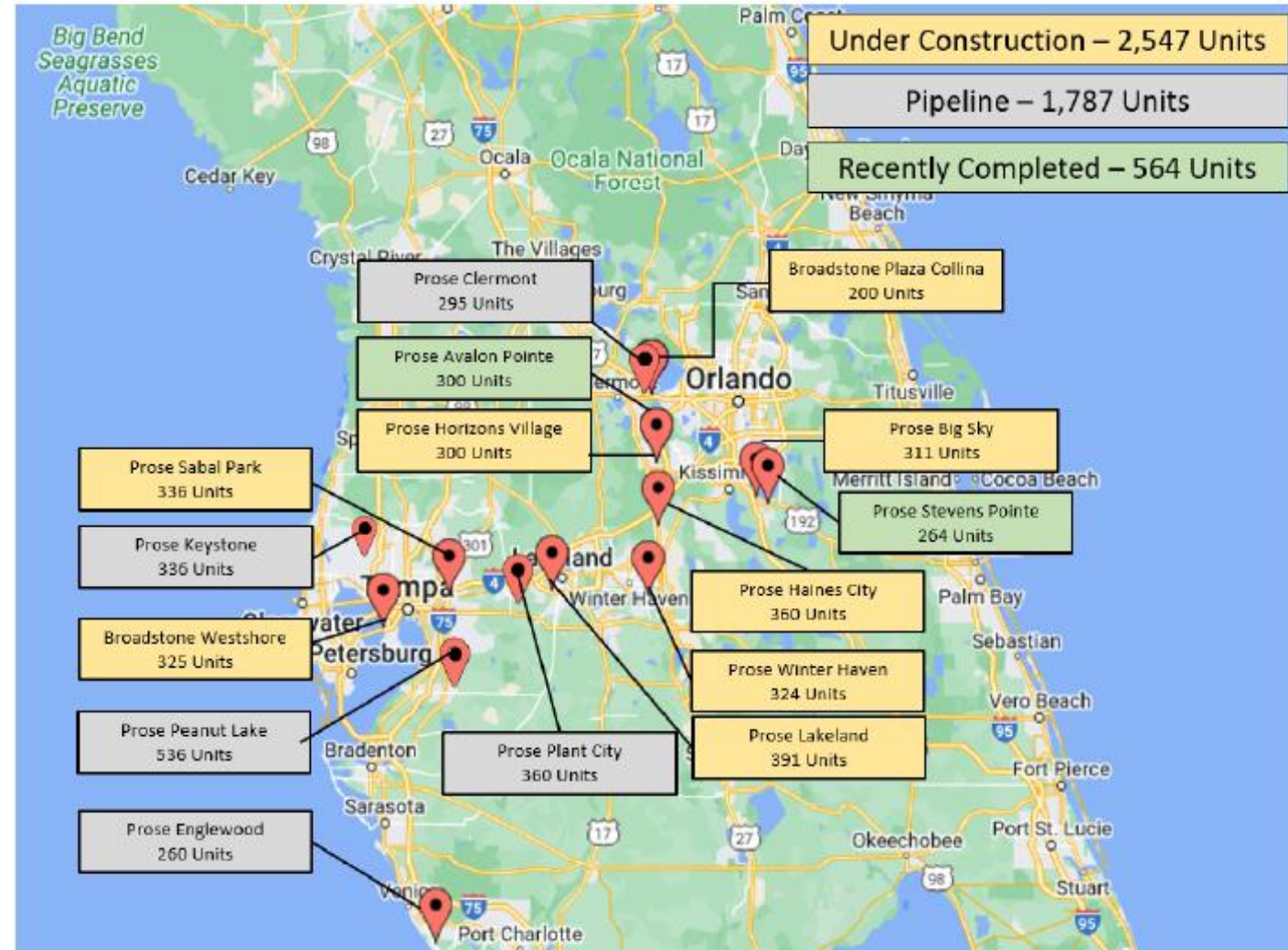
Bobby Anderson

Alliance Residential Company

Managing Director

banderson@allresco.com

ALLIANCE RESIDENTIAL COMPANY NORTH FL PIPELINE MAP



Local Option Property Tax Exemption



Local option affordable housing property tax exemption – s. 196.1979

- Grants local governments the **option** to enact an ordinance providing property tax exemptions to certain affordable housing developments.
- Eligible developments: **50 or more units** with at least **20%** of units set aside as affordable to households at or below **60% AMI**.
- 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
- Local government must renew every 3 years.
- Tax exemption only applies to the affordable units.
- Statute contains process for adoption and administration.
- **Jacksonville** and **St Petersburg** – first two jurisdictions to adopt.

Process for implementation

- S. 196.1979(3) – contains elements of an ordinance adopting the exemption. The ordinance must (some but not all of the requirements):
 - (a): Be adopted by city or county commission under the procedures for adoption of a nonemergency ordinance
 - (b): Designate the local entity which must “develop, receive, and review applications for certification and develop notices of determination of eligibility”
 - (c): Require property owner to apply to the local entity on a form provided by the responsible local entity.
 - (d): Require the local entity to verify and certified property meets the requirements of the exemption and to forward the certification to the property appraiser.
 - (f): Require the property owner to submit an application for the exemption to the county property appraiser.

Process for implementation

- S. 196.1979(3) – contains elements of an ordinance adopting the exemption. The ordinance must:
 - (g): Specify that the exemption applies “only to the taxes levied by the unit of government granting the exemption”
 - (h): Specify the property may not receive an exemption after expiration or repeal of the ordinance
 - (i): Identify the percentage of the assessed value which is exempted
 - (l): Require the local government to post to its website a list of certified properties

City of St. Petersburg Local Option Tax Abatement



Local Ordinance 561-H

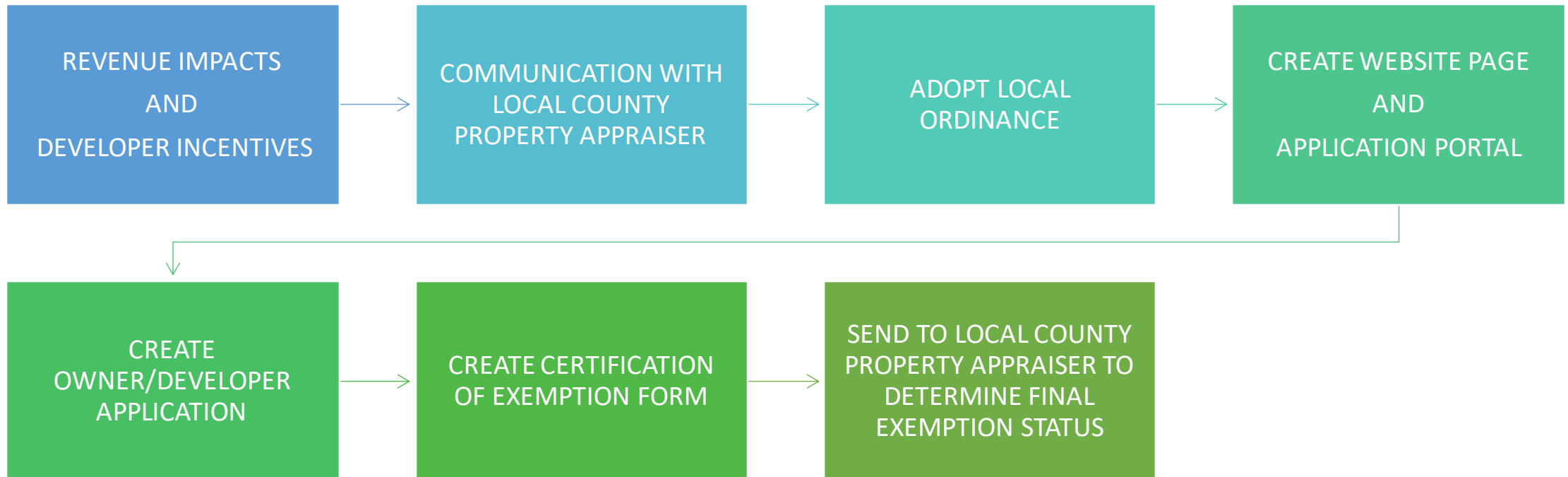
The City of St. Petersburg has a bias toward action and is willing to employ every tool to create and provide more affordable/workforce housing.

On November 2nd, 2023, the City of St. Petersburg, adopted local ordinance 561-H Local Option Property Tax Abatement.

The ordinance was adopted according to the following findings:

- Affordable Housing is an essential component of individual and community well-being, yet thousands of Pinellas County residents remain unhoused.
- Rental units are an important part of the City's available housing stock and renting continues to grow in popularity among City residents.
- Providing tax relief, as authorized by statute, will help facilitate the construction of more affordable rental units and the retention of existing units that may otherwise be converted to market rate.
- The provisions of this ordinance will help to further the goals of promoting the health, safety, and welfare of all citizens in St. Petersburg.

Administrative Process



Impact vs. Incentive

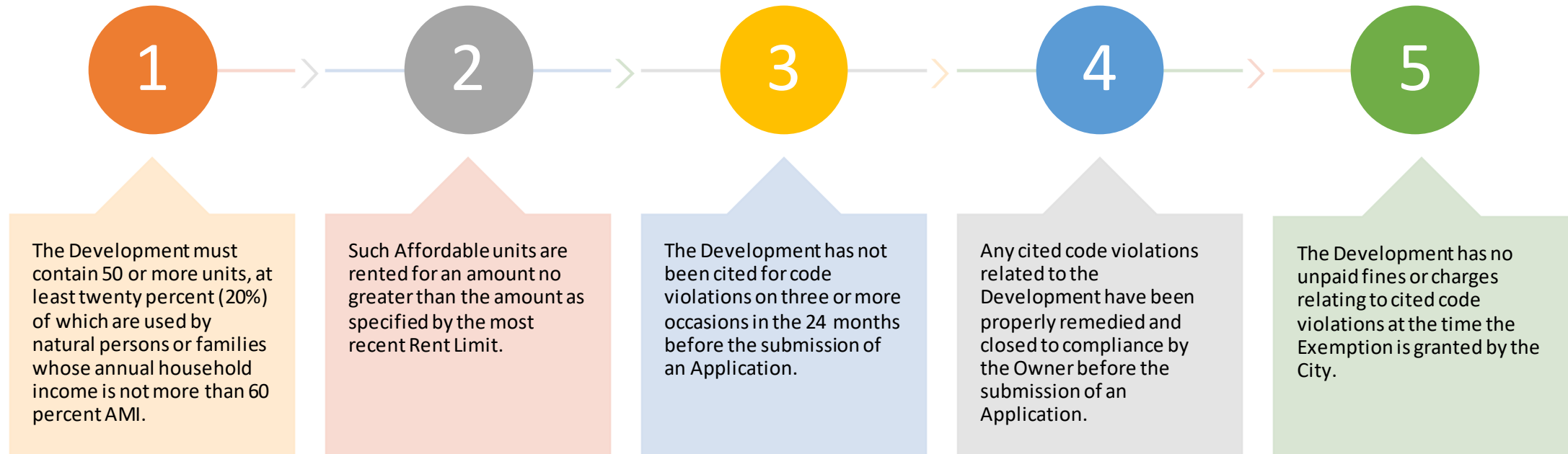
Revenue Impact

Revenue will be reduced from the abated units, however, the savings to the developer could promote the creation of more affordable housing projects with mixed income, which will increase tax revenue thus offsetting the loss of local ad valorem tax revenue.

Developer Incentive

Utilizing the abatement savings as a negotiating tool has resulted in a reduction of City “gap funding” needed by a project.

Section 28-202 Applicability



Section 28-203 Application



The City shall determine the yearly deadline for Applications, for each calendar year, and publish such date on the City's website, as well as information on how to apply.



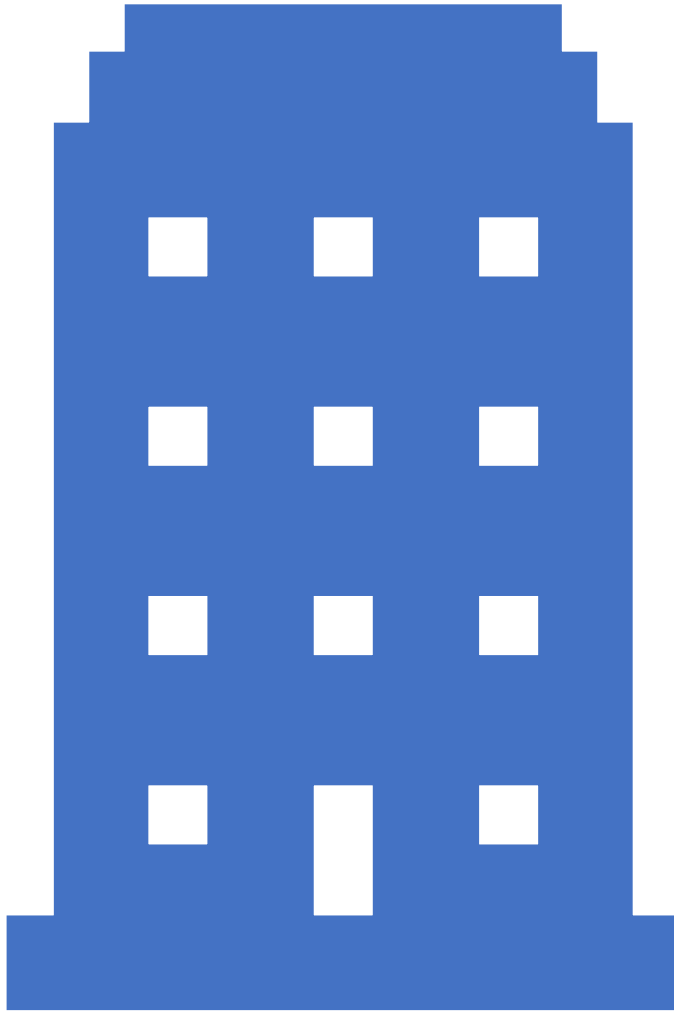
The City shall accept and review Applications, determine whether the Affordable Property is eligible for an Exemption, and determine the terms of the Exemption



Section 28 – 203 Application Requirements

The Owner must provide the following:

- The most recently completed Rental Market Study
- A list of the units for which the property owner seeks an Exemption
- The rent amount received by the Owner for each unit for which the Owner seeks an Exemption and, if a unit is vacant and qualifies for an exemption under Section 196.1979, Florida Statute, the Owner must provide evidence of the published rent amount for the vacant unit



Section 28 – 203 Exemption Requirements

The City may prescribe the terms of the Exemption. Notwithstanding as much, the Exemption shall, at minimum:

- Include a requirement that the Affordable Property continue to maintain the criteria outlined in the ordinance
- Include a requirement that the Owner must submit a copy of the Application and Exemption to the (local) County Property Appraiser on or before March 1st of each year
- Identify the percentage of the assessed value which is exempted from municipal ad valorem taxes
- Identify that the exemption applies to natural persons or families meeting the income limits described in this Section of the ordinance
- Include a requirement to provide documents for Ongoing Certification

Exemption Status

The City shall publish a list of all Affordable Property granted an Exemption on the City's website.

Local Ad Valorem Tax Exemption for Affordable Multifamily Housing: 2024 Tax Year List of Affordable Multifamily Housing Properties Certified for Local Ad Valorem Tax Exemption (*final exemption of local ad valorem taxes will be determined by the Pinellas County Property Appraiser*).

- **Applicant/Owner:** Blue Pinellas, LLC **Property:** Skyway Lofts II located at 3900 34th Street S. St. Petersburg, FL 33711
- **Applicant/Owner:** Delmar Terrace South, LLC **Property:** Delmar 745 located at 745 Delmar Terrace South St. Petersburg, FL 33701
- **Applicant/Owner:** Campbell Landings, LLC **Property:** Campbell Landings located at 365 6th Street S. St. Petersburg, FL 33701
- **Applicant/Owner:** Shores Apartments, LTD **Property:** The Shores located at 2603 31st Street S. St. Petersburg, 33712

Eligibility of Affordable
Housing
Multi-Family Developments

New Construction

If all the units in a Development are Affordable units, the portions of the Development that are Affordable Housing are eligible for an Exemption relieving the Affordable Housing of 100% of City Taxes.

OR

If all the units in a Development are not Affordable units, the portions of the Development that are Affordable Housing are eligible for an Exemption relieving such Affordable Housing of 75% of City Taxes.



Existing Construction



- If the owner proves the Development has at least two of the three, *Special Circumstances*, as described in local ordinance 561-H, the portions of the Development that are Affordable Housing are eligible for an Exemption relieving 50% of City Taxes.
- Extended the affordability period of the Affordable Housing (project) by the addition of a minimum of fifteen (15) years of affordability
- Have made considerable and substantial renovations to the Affordable Housing (project) such that the renovations would qualify as a “Substantial Rehabilitation” under the definition in Fla. Admin. Code 67-48.002
- Can demonstrate an increase of insurance rates of more than 50% over the average rate of the immediately preceding three (3) years.

Section 28-204 Determination and Appeal

The City, after review of an Application shall:

- Deny an Exemption for an Affordable Property that does not meet the criteria outlined in the local ordinance.
- Grant and execute an Exemption for an Affordable Property that meets the criteria outlined in the local ordinance.
- Request further information from an Owner to make a determination if the Application meets the criteria outlined in the local ordinance.
- If the City denies an Exemption, it shall provide the Owner with written notice of the denial, including the reason for such determination.
- If the City grants an Exemption, it shall provide a copy of the executed Exemption to both the Owner and Pinellas County Property Appraiser.
- A decision by the City to grant, deny, or revoke an Exemption may be appealed, by the applicant, to the City Administrator, or their designee, within thirty (30) days.

Section 28 – 205 Penalties

If the City determines:


- an Owner is found to (have) submitted false documents to the City related to either an Application or Ongoing Certification
- the Development had three or more code violations in a 24-month span after being granted an Exemption
- Has an unpaid fine or charge for a code violation for more than ninety (90) consecutive days
- Fails to comply with the terms of the Exemption, the City may provide written notice to the address of the Owner, set forth in their Application, of an intent to revoke an Exemption and the actions that the Owner can take to correct any deficiencies outlined in the notice.
- If the Owner does not take the actions outlined by the City in such notice within fifteen (15) days, the City may revoke the Exemption and notify the Pinellas County Property Appraiser.
- Any owner who has an Exemption revoked is subject to having all Exemptions revoked by the City, including those of related entities, as determined by the City in their sole and absolute discretion, and be barred from making further Applications under the local ordinance for a period of three (3) years.

Section 28 -206 Expiration

Article II, Affordable Housing Tax relief, as described in local ordinance 561-H, shall expire December 30, 2026, unless renewed pursuant to Section 196.1979, Florida Statute.

Any Exemption granted pursuant to this Article II shall expire after expiration or repeal of either (i) this Article II or (ii) the enacting ordinance.

Challenges & Solutions



Challenges

- The original definition of “new construction” was “affordable housing that is first occupied in the calendar year in which an Application was made”, this language prevents projects between two and three years old from qualifying.
- Needed to clearly define one of the “special circumstances” within the “existing construction” category that refers to the addition of 15 years of affordability as additive to the remaining affordability period currently in place.
- One of the “special circumstances” regarding an existing project requires the owner/developer to demonstrate an increase of insurance rates of more than 50% over the average rate of the immediately preceding three (3) years. The City needed to add clarifying language that the 50% increase in insurance cost over 3 years should also include no significant changes in coverage during the 3-year period.

Solutions


- The City amended the local ordinance to change the definition of “new construction” to “any affordable housing project receiving a temporary or permanent certificate of occupancy for all units within 5 years before first application for an exemption pursuant to this Chapter, for all timely filed applications filed after January 1, 2024”.
- The City amended the local ordinance regarding the affordability period language to include, “extended an existing affordability period of the affordable housing by the addition of a minimum of 15 years of affordability, not to exceed 99 years in total.”
- The City amended the local ordinance regarding the insurance increase language to include, “can demonstrate an increase of insurance rates of more than 50 percent over the average rate of the immediately preceding three years not significantly attributing to increases in coverage.”



Results

- 5 Owner/Developers applied for the tax exemption program
- 3 New Construction
- 2 Existing Construction
- 4 Applications were certified for exemption
- 1 Owner/Developer cancelled the application

A total of 4 applications were certified for exemption and submitted to the local property appraiser's office who will determine the final exemption status of each property.



Q&A



THANK YOU



Affordable Housing Land Exemption for Non-Profit, section 501(c)(3) Qualified Owners



THE FLORIDA
HOUSING
COALITION



Affordable Housing Land Exemption for Non-Profit, section 501(c)(3) Qualified Owners

- S. 196.1978(1)(b) of the Florida Statutes.
- Provides a property tax exemption on the value of land owned by a nonprofit and leased for a period of **99 years** to predominately provide affordable housing.
- Housing must serve households **at or below 120% AMI**.
- Land is “predominantly used” for affordable housing if the square footage of the improvements used on the land is greater than 50 percent of the square footage of all improvements on the land.
- This is separate from the existing exemption for 501(c)(3) owned affordable housing because it allows a 501(c)(3) to lease the land and be eligible.

Example: Community Land Trusts (CLTs)

- A CLT is a vehicle for separating ownership of land from the buildings & improvements on top of the land – primarily to lower housing costs to the homebuyer and to steward the property for permanent affordability.
- A CLT also refers to the 501(c)(3) organization that (for affordable homeownership purposes) will sell a CLT home + improvements and lease CLT land to an income-eligible homebuyer under a 99-year ground lease.



S. 196.1978(1)(b) in practice - CLTs

- With this new LLA exemption, land owned by a CLT subject to a 99-year ground lease with an income-eligible homebuyer will be **exempt** from property taxes.
- The building & improvements are assessed via s. 193.018 (CLT appraisal statute).



Opportunities

- Could promote non-profit/for-profit partnerships where 501(c)(3) retains ownership of land and for-profit owns/operates the buildings/improvements for affordable housing



Questions?



Additional LLA webinar resources

- Overview of the Live Local Act
 - Recording: <https://vimeo.com/825231697?share=copy>
 - PowerPoint: <https://flhousing.org/wp-content/uploads/2023/05/Overview-of-the-Live-Local-Act-5.9.pdf>
- Dissecting the Land Use Tools and Property Tax exemptions in the Live Local Act
 - Recording: <https://vimeo.com/837681484>
 - PowerPoint: <https://flhousing.org/wp-content/uploads/2023/07/LLA-Land-Use-and-Property-Tax-Incentives.-6.15.23.pdf>
- Land Use Tool for Affordable Housing in Commercial, Industrial, and Mixed-Use Districts – a Live Local Act Webinar
 - Recording: <https://vimeo.com/883265655>
 - PowerPoint: <https://flhousing.org/wp-content/uploads/2023/11/Land-Use-Tool-for-Affordable-Housing-110623.pdf>
- Surplus Land and Permanent Affordability:
 - Recording: <https://vimeo.com/873761639>
 - PowerPoint: <https://flhousing.org/wp-content/uploads/2023/10/Surplus-Land-and-Permanent-Affordability-10.11.23.pdf>
- Expedited Permitting and Innovative Housing Solutions Promoted in the Live Local Act
 - Recording: <https://vimeo.com/878777909>
 - PowerPoint: <https://flhousing.org/wp-content/uploads/2023/10/LLA-Innovative-Housing-Solutions-Webinar.-10.26.23.pdf>

FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more under the Publications tab at Flhousing.org

Housing News Network Journal

Florida Home Matters Report

Accessory Dwelling Unit (ADU) Guidebook

Adaptive Reuse of Vacant Rentals

Affordable Housing Resource Guide

Affordable Housing Incentive Strategies

CLT (Community Land Trust) Primer

CLT Homebuyer Education – Teacher’s Guide

CLT Homebuyer Education – Buyer’s Guide

Community Allies Guide to Opportunity Zones

Community-Based Planning Guide

Creating a Local Housing Disaster Recovery

Creating Inclusive Communities in Florida

Credit Underwriting Guide for Multi-Family

Affordable Housing in Florida

Developing & Operating Small Scale Rental Properties

Disaster Management Guide for Housing

Landlord Collaboration Guidebook

PSH Property Management Guidebook

Residential Rehabilitation Guide

SHIP Administrators Guidebook

Surplus Lands Guidebook

Supporting Households Moving Out of Homelessness

Using SHIP For Rental Housing



Contact FHC for Technical Assistance Opportunities



Kody Glazer
Chief Legal and Policy Officer
glazer@flhousing.org