

Florida State Legislature Passes Sweeping Affordable Housing Bill



March 29, 2023 | **CLIENT ALERTS**

On March 24, 2023 the Florida State Legislature passed and presented to Gov. DeSantis a sweeping housing bill which aims to provide significant support for affordable and workforce housing development and preservation for years to come. Gov. DeSantis signed the law into effect March 29, 2023. The Live Local Act (SB 102 – the “Act”) addresses numerous facets in furtherance of affordable housing, including the creation of tax credits, implementation of property tax exemption incentives, and the creation of a statewide ban on municipal rent control measures.

Some of the major provisions of the Act include:

- Section 2 and Section 6, establishing that no local government laws may be adopted which creates “rent control” on residential dwellings.
- Section 3/5 – provides that the Act preempts local county and municipal zoning, density, and height restrictions for certain multifamily developments with an affordable housing component. Provisions also prohibits the County from requiring zoning or comprehensive plan changes if there is at least a 40% set aside for 30 years for families earning up to 120% Area Medium Income (“AMI”). This section sunsets in 2033.

- Section 4/7 – requires counties and municipalities to publish “surplus property list” that might be suitable for affordable housing development.
- Section 8 – Property Tax Exemptions.
 - Reaffirms that property owned by a non-profit entity (as defined in Florida Statutes) which is subject to IRS Rev. Proc 96-32 is exempt from real estate taxes. Also provides that land which is owned by a non-profit and leased, for a minimum of 99 years which is leased consistent with the provisions of IRS Rev Proc 96-32 is also tax exempt. This exemption sunsets in 2059.
 - Workforce Housing Exemption – creates incentives for exemption of taxes on new construction units for workforce AMI ranges:
 - Up to 80% AMI unit results in 100% exemption
 - 81% to 120% AMI results in 75% exemption.

An eligible development must have not less than 70 units and have demonstrable rents that are at least 10% below current market rents. Such projects will be subject to an applicable process through Florida Housing Finance Corporation in order to have the applicable project certified in order to obtain such exemption.

- Section 9 – Permits counties and municipalities or enact an ordinance whereby a property tax exemption is offered for affordable housing units at 50% AMI or less. An eligible development must contain at least 50 units and at least 20% of those units must be dedicated to such housing.

Several parts of the Act will require further rule-making from entities such as the Florida Housing Finance Corporation and the enactment of local ordinances in order to effectuate the intent of the Act.

Considering the totality of the Act, it is without a doubt that old and new investors, developers, and owners will be flocking to understand the detailed requirements, structures, and nuances of the law.

[Christopher Walker](#) and the [real estate team](#) at Lippes Mathias have significant experience in Florida affordable housing matters, representing owners of tens of thousands of units of multifamily or single-family home housing. For legal advice regarding the impact and benefits of this bill on affordable housing in Florida, contact Christopher Walker and Lippes Mathias' experienced real estate practice team at 904.660.0020.

For additional information on the bill please see:

<https://www.flsenate.gov/Session/Bill/2023/102/Analyses/2023s00102.ca.PDF>

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