

**CITY OF BELLE SLE, FLORIDA
CITY COUNCIL AGENDA ITEM COVER SHEET**

Meeting Date: July 18, 2023

To: Honorable Mayor and City Council Members

From: T. Grimm, Interim City Manager

Subject: Update Florida League of Cities CS/SB 102 - Building, Zoning, and Land Development

Background: The “Live Local Act” (the “Act”) is a comprehensive housing initiative to address Florida’s affordable housing needs through a combination of funding, tax credits, tax exemptions, and land use controls to create incentives for affordable housing. A summary of the bill can be found on the Florida League of Cities website (www.flcities.com).

With the Act taking effect on July 1, 2023, we would like to remind our members that in addition to the impact this new legislation has on zoning, land use control, and tax exemptions, it also includes certain administrative requirements, effective July 1, 2023. This includes but is not limited to the requirement for local governments to **maintain on their website a policy containing procedures and expectations for expedited processing** of those building permits and development orders to be expedited pursuant to the Act.

The Act does not specify what “expedited” means from a timeliness perspective, nor does it quantify the term (e.g., number of days prior to issuance of a permit, etc.). As such, it is suggested that local governments implement the following procedure for expedited processing requests: Require an applicant, upon submission of the applicable building permit or development order, to notify the applicable local government that he or she is requesting expedited processing and state the statutory basis entitlement for such expedited processing. Upon review, the applicable local government should give higher priority to the processing of building permits and development orders that qualify under the Act.

In addition, the Act imposes the following new requirements as of October 1, 2023:

- Each county (Section 125.379, Florida Statutes) and municipality (Section 166.0451, Florida Statutes) shall prepare an inventory list of all real property within its borders, including property owned by a dependent special district within its borders, that is appropriate for use as affordable housing and make a list publicly available on its website to encourage potential development.
- Counties (Section 125.379(3), F.S.) and municipalities (Section 166.0451(1), F.S.) are encouraged to adopt best practices for surplus land programs, including, but not limited to:
 - Establishing eligibility criteria for the receipt or purchase of surplus land by developers.
 - Making the process for requesting surplus lands publicly available.
 - Ensuring long-term affordability through ground leases by retaining the right of first refusal to purchase property that would be sold or offered at market rate and by requiring reversion of property not used for affordable housing within a certain timeframe.
- The Act imposes several requirements on municipalities regarding zoning, density, dwelling height, parking, etc. (Section 166.04151(7), F.S.).

Finally, starting with the 2024 tax roll (Section 196.1979, F.S.), the Act provides that certain nonprofit entities with land that are used to provide qualifying housing to low-income individuals predominantly are provided with an ad valorem property tax exemption for that land (Sections 196.1978 and 196.1979, F.S.).

Housing (Support) – Passed

CS/SB 102 (Calatayud) creates the Live Local Act to address Florida's affordable housing needs. The Act uses a combination of funding, tax credits, tax exemptions, and land use controls to create incentives for affordable housing.

Zoning and Land Use Controls and Local Government Requirements:

- For ten years, the bill requires cities and counties to allow multifamily rental and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed-use if at least 40% of the units are affordable to income-eligible households for at least 30 years. For mixed-use projects, at least 65% of the square footage must be used for residential purposes. The local government may not require the proposed project to obtain a zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment for the height, densities, and zoning authorized by the bill.
 - A local government may not restrict the height of an eligible project below the tallest currently allowed height for commercial or residential development in the jurisdiction within 1 mile of the proposed project or three stories, whichever is higher.
 - A local government may not restrict the density of an eligible project below the highest allowable density in the jurisdiction where residential development is allowed.
 - The local government must administratively approve applications for eligible projects without further action by the governing body if the project satisfies applicable land development regulations and comprehensive plan requirements for mixed-use residential developments (other than height, density, and zoning).
 - A local government must consider reducing parking requirements for eligible projects if the proposal is within half a mile of a "major transit stop" (as defined by the local government).
 - Cities and certain counties with less than 20% of land zoned for commercial or industrial uses are only subject to these requirements for mixed-use developments (exclusively residential projects would not be eligible).
 - Recreational and commercial working waterfront areas are exempt.
 - The proposed project must otherwise comply with applicable state and local laws.
- Sections 125.01055(6) and 166.04151(6) currently authorize local governments to allow affordable housing developments on any parcel zoned

residential, commercial, or industrial, notwithstanding any other law to the contrary. The bill removes areas zoned residential from this provision.

- Requires cities and counties and independent special districts within local governments to post an inventory of city- and county-owned lands appropriate for use annually as affordable housing on their websites.
- Prohibits cities and counties from enacting rent control requirements.
- Requires cities and counties to post policies for implementing state laws on their website that require expedited processing of building permits and development orders.

Tax Exemptions:

- Requires a new property tax exemption for newly constructed multifamily developments of over 70 affordable units that serve up to 120% AMI and do not have a Land Use Restriction Agreement with the Florida Housing Finance Corporation (FHFC); the exemption applies only to the affordable housing units.
- Authorizes cities and counties to implement additional property tax exemptions for developments that serve households at 60% AMI or below. Eligible projects must have at least 50 units and dedicate at least 20% of the units to affordable housing.
- Creates a new sales tax refund on building materials for affordable housing developments subject to an agreement with FHFC.

Funding and Tax Credits:

- Proposes \$811 million for affordable housing programs, including \$252 million for SHIP; \$259 million for SAIL; \$100 million for the Florida Hometown Hero Housing Program; \$100 million for a competitive loan program for new construction projects that have not yet commenced construction and are experiencing verifiable cost increases due to market inflation; and up to \$100 million for a new Live Local Tax Donation Program, whereby taxpayers can direct payments to the FHFC for use as SAIL funds in exchange for tax credits against corporate or insurance premium tax.

Effective date: July 1, 2023, except as otherwise specified.