



MEMORANDUM

TO: Board of Commissioners
FROM: Robin I. Gomez, City Manager
DATE: December 11, 2024
RE: RESOLUTION 2024-08, Opt Out of Live Local Act

Background

The City of Madeira Beach is requesting the City Commission to approve Resolution 2024-08, formally opting out of the Live Local Act adopted by the 2023 Florida Legislature.

Discussion

The Florida Live Local Act created a new affordable housing property tax exemption (called the “missing middle” property tax exemption or “Multifamily Middle Market” exemption) that provides two different tiers of exemptions for developments that have 71 or more affordable units to households that earn up to 120% of the Area Median Income (AMI). Units within an eligible development that serve households between 80-120% AMI can receive a 75% property tax exemption and units that serve households below 80% AMI can receive a 100% property tax exemption. The 2024 Legislative Session’s tax package (House Bill 7073) newly grants taxing authorities the ability to opt out from providing the 80-120% AMI “missing middle” property tax exemption to developments within their jurisdiction that would otherwise qualify.

Unfortunately, the law as adopted lacks provisions to ensure builders pass the savings on to their renters, while also allowing developers/companies to charge rents as high as 90% of the market value. Additionally, the city would also have to cover any deficit in tax funds and impact fees due to the tax exemptions

To be eligible for this opt out, taxing authorities would be required to meet certain statistical and administrative requirements include the following:

- The taxing authority must be in a county in which the number of affordable and available units for households at or below 120% AMI is greater than the number of households at that income level, as determined by the most recent Shimberg Center for Housing Studies Annual Report.
- An ordinance or resolution to opt out from providing the property tax exemption must be approved by a two-thirds vote of the local governing body.

- The ordinance or resolution must be renewed annually by January 1.
- Any properties within an opting out jurisdiction that were previously approved for the property tax exemption would be allowed to continue to benefit from the exemption.

The City of Madeira Beach, situated within a large county with a population of 850,000 or more, meets the statistical and administrative requirements and wishes to opt out from providing the 80-120% AMI missing middle property tax exemption as afforded by House Bill 7073.

By opting out of the exemption the City would retain the tax dollars generated from any development of affordable housing in the City.

Fiscal Impact

None

Attachments

Resolution 2024-08

F.S.S 196.1978 - Affordable Housing Property Exemption

Florida Housing Coalition Legislation Summary

Shimberg Annual Report