



## AGENDA REQUEST

9.C.8.

2024-59123

CONSENT AGENDA - COUNTY ATTORNEY

DATE: 5/7/2024

\*ACTION ITEM - PERMISSION TO ADVERTISE

QUASI-JUDICIAL ITEM? No

**TO:** Board of County Commissioners

**PRESENTED BY:** Katherine Barbieri, Assistant County Attorney III

**SUBMITTED BY:** County Attorney

**SUBJECT:** Permission to Advertise - Ordinance Creating a New Article VI (Local Option Affordable Housing Tax Exemption), Chapter 42 (Taxation) in St. Lucie County Code to Implement an Affordable Housing Property Tax Exemption Authorized by Section 196.1979, Florida Statutes

### **BACKGROUND:**

The Florida Housing Coalition conducted a study in 2020 focusing on Florida's 3.15 million low-income households and found that close to two million (1,997,040) are "cost-burdened", which represents 63 percent of low-income households and 26 percent of all Florida households. The study also found that of these low-income, cost-burdened households, over 1.16 million are severely cost-burdened. There is currently supply gap for affordable housing of approximately 12,000 units due, in part, to the influx of approximately 300,000 new residents to the state of Florida between the spring and summers of 2020 and 2021. Saint Lucie County is facing a housing crisis marked by a significant shortage of affordable and workforce rental housing which is anticipated to worsen over the coming years. Because of the shortage of affordable and workforce housing and steep rise in rental rates, a large number of renters in the St. Lucie County community are unable to find decent, safe, and affordable housing, resulting in many individuals and households foregoing other basic necessities such as food, transportation, and healthcare in order to pay rent.

During the 2023 legislative session, Senate Bill 102 (commonly known as the "Live Local Act") was passed in both the Florida House of Representatives and Senate and was subsequently signed into law on March 29, 2023 as Chapter No. 2023-17, Laws of Florida (hereinafter referred to as "the Act"). The Act includes a comprehensive approach to address the affordable housing crisis in Florida, including by creating a new Section 196.1979, *Florida Statutes*, which authorizes property tax relief for certain properties providing affordable housing to households earning up to 60 percent of the area median income and households whose income does not exceed 30 percent of the area median income. More specifically, the Act authorizes counties and municipalities to adopt an ordinance providing an ad valorem tax exemption for portions of multifamily projects containing 50 or more residential units, where 20 percent of the project is used to provide affordable housing. The Act authorizes a municipality to provide an ad valorem tax exemption of up to 75 percent if less than 100 percent of the multifamily project is used to provide affordable housing. In light of the affordable housing crisis in St. Lucie County and the need to provide incentives and relief to property owners who

provide rental units for affordable housing, Staff recommends implementing the additional ad valorem tax exemption authorized by the Act.

Attached to this memorandum is a copy of the draft ordinance which, if adopted, would implement the Affordable Housing Property Tax Exemption authorized by Section 196.1979, *Florida Statutes*.

**PREVIOUS ACTION:**

N/A

**FINANCIAL IMPACT:**

N/A

**RECOMMENDATION:**

Staff recommends that the Board grant permission to advertise the ordinance.

**COMMISSION ACTION:**

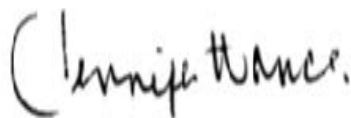
<b>RESULT:</b>	
<b>MOVER:</b>	None
<b>SECONDER:</b>	None
<b>AYES:</b>	None
<b>NAYS:</b>	None
<b>EXCUSED:</b>	None

**Coordination/Signatures**




\_\_\_\_\_  
Katherine Barbieri, Assistant County Attorney III

Date: April 24, 2024



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Jennifer Hance, Director

Date: April 24, 2024



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Daniel McIntyre, County Attorney

Date: April 29, 2024



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Mayte Santamaria, Deputy County Administrator

Date: April 29, 2024

**ORDINANCE 24-XXX**

**AN ORDINANCE CREATING A NEW ARTICLE VI (LOCAL OPTION AFFORDABLE HOUSING TAX EXEMPTION), CHAPTER 42 (TAXATION), IN THE ST. LUCIE COUNTY CODE, TO IMPLEMENT AN AFFORDABLE HOUSING PROPERTY TAX EXEMPTION AUTHORIZED BY SECTION 196.1979, FLORIDA STATUTES PROVIDING FOR PURPOSE, CRITERIA, LOCAL OPTION AFFORDABLE HOUSING TAX EXEMPTION, APPLICATION FOR CERTIFICATION, EXEMPTION PERIOD, ANNUAL REPORT; DIRECTING STAFF TO FORWARD A COPY OF THE ORDINANCE UPON ENACTMENT TO THE ST. LUCIE COUNTY PROPERTY APPRAISER AND THE ST. LUCIE COUNTY COMMUNITY SERVICES DIRECTOR; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION INSTRUCTIONS; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Saint Lucie County is facing a housing crisis marked by a significant shortage of affordable and workforce rental housing which is anticipated to worsen over the coming years; and

**WHEREAS**, the Florida Housing Coalition conducted a study in 2020 focusing on Florida's 3.15 million low-income households and found that close to two million (1,997,040) are "cost-burdened", which represents 63 percent of low-income households and 26 percent of all Florida households; and

**WHEREAS**, the study also found that of these low-income, cost-burdened households, over 1.16 million are severely cost-burdened; and

**WHEREAS**, there is a currently supply gap for affordable housing of approximately 12,000 units due, in part, to the influx of approximately 300,000 new residents to the state of Florida between spring and summers of 2020 and 2021; and

**WHEREAS**, the median hourly wage in the Port Saint Lucie Metropolitan Statistical Area (MSA) stands at \$19.40, resulting in a maximum affordable rent of \$1,009 per month based on the recommended 30% of income; and

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent for the area is \$1,458 per month, exceeding the affordable housing benchmark set by the median wage; and

**WHEREAS**, because of the shortage of affordable and workforce housing and steep rise in rental rates, a large number of renters in the St. Lucie County community are unable to find decent, safe, and affordable housing, resulting in many individuals and households foregoing other basic necessities such as food, transportation, and healthcare in order to pay rent; and

**WHEREAS**, during the 2023 legislative session, Senate Bill 102 (commonly known as the “Live Local Act”) was passed in both the Florida House of Representatives and Senate and was subsequently signed into law on March 29, 2023 as Chapter No. 2023-17, Laws of Florida (hereinafter referred to as “the Act”); and

**WHEREAS**, the Act includes a comprehensive approach to address the affordable housing crisis in Florida, including by creating a new Section 196.1979, *Florida Statutes*, which authorizes property tax relief for certain properties providing affordable housing to households earning up to 60 percent of the area median income and households whose income does not exceed 30 percent of the area median income; and

**WHEREAS**, more specifically, the Act authorizes counties and municipalities to adopt an ordinance providing an ad valorem tax exemption for portions of multifamily projects containing 50 or more residential units, where 20 percent of the project is used to provide affordable housing; and

**WHEREAS**, the Act authorizes a municipality to provide an ad valorem tax exemption of up to 75 percent if less than 100 percent of the multifamily project is used to provide affordable housing; and

**WHEREAS**, in light of the affordable housing crisis in St. Lucie County and the need to provide incentives and relief to property owners who provide rental units for affordable housing, the Board of County Commissioners desires to implement the additional ad valorem tax exemption authorized by the Act and has determined that adoption of this ordinance is in the public interest.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of County Commissioners of St. Lucie County, Florida:

**Section 1. Creating a new Article VI (Local Option Affordable Housing Tax Exemption), Chapter 42 (Taxation), of the St. Lucie County Code.**

**CHAPTER 42 – TAXATION**

**Article VI. LOCAL OPTION AFFORDABLE HOUSING TAX EXEMPTION**

**Sec. 42-215. Purpose and Application.**

(a) During the 2023 legislative session, the Legislature of the State of Florida approved Senate Bill 102, commonly known as the “Live Local Act” (the “Act”), to make various changes and additions to affordable housing related programs and policies at both the state and local level. The Act was signed into law on March 29, 2023, and created Section 196.1979, *Florida Statutes*, which authorizes local governments to adopt an ordinance that exempts those portions of property used to provide affordable housing for natural persons or families meeting the income limits subject to certain criteria. St. Lucie County desires to implement

this tax exemption to provide an additional incentive for development of affordable housing to meet the needs of the County's residents.

(b) The exemption authorized in this Part shall only apply to taxes levied by St. Lucie County.

**Sec. 42-216. Criteria.**

(a) In accordance with Section 196.1979, *Florida Statutes*, any person whose property meets the following criteria shall be entitled to make an application for an affordable housing property tax exemption under this Part:

- i. The property must be used to house natural persons or families whose annual household income:
  - a. Is greater than 30 percent but not more than 60 percent of the median annual adjusted gross income for households within St. Lucie County; or
  - b. Does not exceed 30 percent of the median annual adjusted gross income for households within St. Lucie County.
- ii. The property must be within a multifamily project containing 50 or more residential units, at least 20 percent of which are used to provide affordable housing that meets the requirements of Section 196.1979, *Florida Statutes*;
- iii. The property must be rented for an amount no greater than the amount as specified by the most recent multifamily rental programs income and rent limit chart posted by the Florida Housing Finance Corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90 percent of the fair market value rent as determined by a rental market study meeting the requirements of Section 42-218 (g), whichever is less;
- iv. The property may not have been cited for code violations on three or more occasions in the 24 months before the submission of a tax exemption application;
- v. The property may not have any cited code violations that have not been properly remedied by the property owner before the submission of a tax exemption application; and
- vi. The property may not have any unpaid fines or charges relating to the cited code violations. Payment of unpaid fines or charges before a final determination on a property's qualification for an exemption under this Part will not exclude such property from eligibility if the property otherwise complies with all other requirements for the exemption.

**Sec. 42-217 Local Option Affordable Housing Tax Exemption.**

(a) Qualified property may receive an ad valorem property tax exemption of:

- i. 75 percent of the assessed value of each residential unit used to provide affordable housing if fewer than 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this Section.

- ii. 100 percent of the assessed value if 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this Section.
- (b) If a residential unit that in the previous year qualified for the exemption under this Section and was occupied by a tenant is vacant on January 1, the vacant unit may qualify for the exemption under this Section if the use of the units is restricted to providing affordable housing that would otherwise meet the requirements of this Section and a reasonable effort is made to lease the unit to eligible persons or families.

**Sec. 42-218 Application for Certification.**

- (a) The County's Community Services Department, or such other department as determined by the Board of County Commissioners (the "Department"), shall develop, receive, and review applications for certification and develop notices of determination of eligibility.
- (b) Any property owner claiming the property tax exemption provided for by this Part must apply for certification by the Department by January 15 for each year for which such exemption is claimed. The Department shall publish the deadline to submit the application for certification in a prominent location on the County's website. The application for certification must be on a form provided by the Department and shall include the following:
- i. The most recently completed rental market study meeting the requirements of Section 42-218 (g);
  - ii. A list of the units for which the property owner is seeking an exemption; and
  - iii. The rent amount received by the property owner for each unit for which the property owner seeks an exemption, and if a unit is vacant and qualifies for an exemption under Section 42-216, the property owner must provide evidence of the published rent amount for the vacant unit.
- (c) The Department shall verify and certify property for which an application is received that meets the requirements of this Section as qualified property and forward the certification to the property owner and to the St. Lucie County Property Appraiser (the "Property Appraiser"). If the Department denies the application for certifications, it must notify the property owner and include the reason for the denial.
- (d) The property owner shall submit an application for exemption, on a form prescribed by the Department, accompanied by the certification of qualified property, to the Property Appraiser no later than March 1 of each year for which the exemption is claimed.
- (e) The property owner may not receive an exemption authorized by this Part after expiration or repeal by ordinance of this Part.
- (f) The Department shall publish or cause to be published in a prominent location on the County's website, a list of the properties that have been certified as having met the requirements of this Part for the purpose of facilitating access to affordable housing.

- (g) The rental market study submitted as required by Section 42-216(a)iii. Must identify the fair market value of each unit for which the property owner seeks an exemption. Only a certified general appraiser, as identified in Section 475.611, *Florida Statutes*, may issue a rental market study. The certified general appraiser must be independent of the property owner who requests a rental market study. In preparing the rental market study, a certified general appraiser shall comply with the standards of professional practice pursuant to Part II of Chapter 475, *Florida Statutes*, and use comparable property within the same geographic area and of the same type as the property for which the exemption is sought. A rental market study must have been completed within three years before submission of the application.
- (h) If the Property Appraiser determines that for any year during the immediately previous ten years a person who was not entitled to an exemption under this Part was granted such an exemption, the Property Appraiser must serve upon the owner a notice of intent to record in the public records of St. Lucie County a notice of tax lien against any property owned by that person in St. Lucie, and that property must be identified in the notice of tax lien. Any property owned by the taxpayer and situated in this state is subject to the taxes exempted by the improper exemption, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. If an exemption is improperly granted as a result of a clerical mistake or an omission by the Property Appraiser, the property owner improperly receiving the exemption may not be assessed a penalty or interest.

**Sec. 42-219 Exemption Period.**

The exemption period shall first apply to the 2025 tax roll and shall expire on December 31, 2028 unless, prior to said expiration date, the Board of County Commissioners shall pass legislation to extend the tax exemption as authorized by Section 196.1979, *Florida Statutes*. The Board of County Commissioners, or the Board of County Commissioners' designee, on behalf of the Board of County Commissioners shall notify the Department and the Property Appraiser within 10 days after the expiration or repeal of this Part.

**Sec. 42-220 Annual Report.**

The Department shall prepare and submit an annual report to the Board of County Commissioners regarding the tax exemption authorized by the Part. The report shall be filed in December of each calendar year and shall summarize the activities of the Department related to the tax exemption during the previous calendar year. The information contained in the annual report shall include, but not be limited to, the following: (1) a list of properties for which applications were received; (2) the number and addresses of properties that qualified for the exemption; (3) the total dollar amount of taxes exempted; and (4) any other information requested by the Board of County Commissioners or considered significant by the Department.

**Section 2. Directing Staff to Forward Ordinance Upon Enactment.**

County Staff is hereby directed to forward a copy of this Ordinance within 10 days after its enactment to the St. Lucie County Property Appraiser and the St. Lucie County Community Services Director.

**Section 3. Severability.**

The provisions of this Ordinance, including sections and subsections within the Ordinance, are intended to be severable and if any provision is declared invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed and the remainder shall continue in full force and effect, with the Ordinance being deemed amended to the least degree legally permissible.

**Section 4. Filing with the Department of State and Effective Date.**

This ordinance shall take effect upon filing with the Department of State.

**Section 5. Adoption.**

After a motion and second, the vote on this ordinance as follows:

Commissioner Cathy Townsend, Chair	XXX
Commissioner Chris Dzadoovsky, Vice Chair	XXX
Commissioner Linda Bartz	XXX
Commissioner Larry Leet	XXX
Commissioner Jamie Fowler	XXX

**Section 6. Codification Instructions.**

Provisions of this ordinance shall be incorporated in the Code of Ordinances of St. Lucie County, Florida, and the word "ordinance" may be changed to "section," "article," or other appropriate word, and the sections of this ordinance may be renumbered or relettered to accomplish such intention; provided, however, that Sections 2 through 6 shall not be codified.

**PASSED AND DULY ADOPTED** this \_\_\_ day of \_\_\_\_\_ 2024.

**ATTEST:**

**BOARD OF COUNTY COMMISSIONERS  
ST. LUCIE COUNTY, FLORIDA**

\_\_\_\_\_  
**DEPUTY CLERK**

**BY:** \_\_\_\_\_  
**CHAIR**



**APPROVED AS TO FORM AND  
CORRECTNESS:**

**BY: \_\_\_\_\_  
COUNTY ATTORNEY**