

EXPAND THE USE OF PROPERTY TAX DISCOUNTS FOR ADAPTIVE REUSE AFFORDABLE AND WORKFORCE HOUSING PROJECTS

ASK: Pass and amend Senate Bill 328 (Sen. Alexis Calatayud) and House Bill 1239 (Rep. Vicki Lopez) to give local governments the option to provide local property tax discounts for adaptive reuse affordable housing projects.

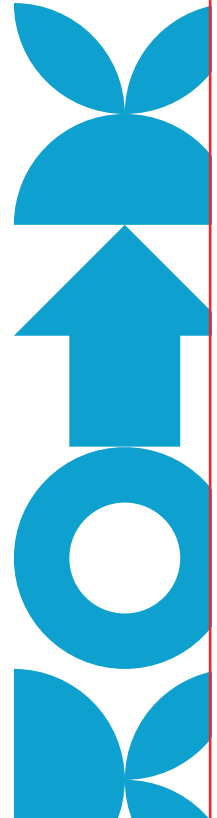
BACKGROUND

The Live Local Act created a variety of exciting tools to help address Florida's housing supply needs, including an optional local property tax discount program for affordable housing.

Under current statute, projects must contain a minimum of 50 residential units and set aside 20% of the units as affordable (at or below 60% of area median income) to qualify for the local property tax discount.

Unfortunately, this unit threshold can be challenging for many smaller-scale adaptive reuse projects that could be used to generate new housing supply.

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HOW THIS IMPACTS THE APARTMENT INDUSTRY

Adaptive reuse projects (*example: converting an aging or underutilized motel building into apartment homes*) provide a unique opportunity to repurpose underutilized property while also increasing Florida's housing stock.

Adaptive reuse projects are challenging because they tend to be more costly than new construction. These projects are also limited by existing structural components that can ultimately restrict the number of housing units generated during the redevelopment process.

As a result, it can be extremely difficult for some smaller-scale adaptive reuse projects to meet the 50-unit threshold for the local property tax discount program.

FAA supports the passage of SB 328 / HB 1239. To amplify the impact of this important legislation, FAA urges the Legislature to amend SB 328 / HB 1239 to provide local governments the option to offer local property tax discounts for adaptive reuse housing projects, regardless of the total number of units within the development, so long as 20% of the units are set aside as affordable (at or below 60% of area median income).



CLARIFY THE DEFINITION OF “FLORIDA BANKING INSTITUTION”

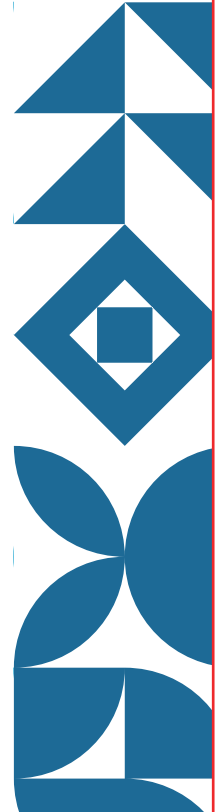
ASK: Pass Senate Bill 1466 (Sen. Erin Grall) and House Bill 1305 (Rep. Randall Maggard) to clarify the definition of “Florida banking institution” in Chapter 83 of Florida State Statute and mitigate frivolous lawsuits.

BACKGROUND

In recent years, the apartment industry has experienced a spike in “assignment of benefits” lawsuits pertaining to security deposits. These lawsuits allege that a security deposit held in a bank whose original chartered home state is not Florida violates state law.

In many instances, attorneys in these lawsuits demand, on average, \$3,500 for their fees and costs, plus a refund of the security deposit.

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FLORIDA BANKING INSTITUTIONS

HOW THIS IMPACTS THE APARTMENT INDUSTRY

Overall, the cost for a landlord to defend these types of cases in court typically ranges between \$2,500 - \$5,000, or more.

If passed, **SB 1466 / HB 1305** would make certain that security deposits held in a branch of a national bank whose original chartered home state is not Florida meet statutory requirements and are not in violation of state law.

It is important to note that **SB 1466 / HB 1305** does not make any changes to the tenant protections in Chapter 83 related to residential security deposits.

FAA supports the passage of **SB 1466 / HB 1305**, which makes a technical clarification to the definition of a “Florida banking institution” in state statute to prevent frivolous lawsuits.



PRESERVE THE LONGEVITY OF THE “LOCAL OPTION” PROPERTY TAX DISCOUNT

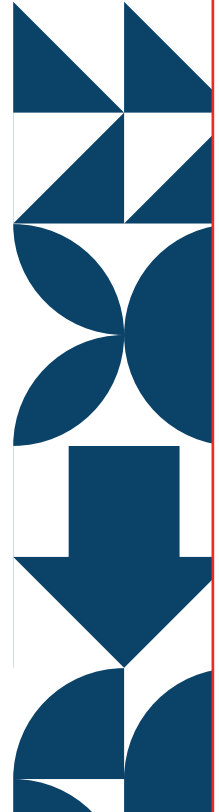
ASK: Pass Senate Bill 1440 (Sen. Alexis Calatayud) and House Bill 1299 (Rep. Lindsay Cross) to support the continuity of the local option property tax discount program established under the Live Local Act.

BACKGROUND

The Live Local Act (2023) created a variety of important and practical tools to meet Florida’s housing needs. One of these tools, commonly referred to as the “local option” tax exemption, empowers local governments to offer property tax discounts for affordable housing.

Currently, local governments must adopt a “local option” ordinance and renew (readopt) it every four years. If a local government does not readopt the ordinance, the local option tax exemption sunsets and will no longer be available.

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AFFORDABLE HOUSING

HOW THIS IMPACTS THE APARTMENT INDUSTRY

The existing expiration requirement imposes an additional burden on local governments while creating uncertainty for housing providers and developers.

If passed, **SB 1440 / HB 1299** would eliminate the ordinance expiration requirement for the local property tax discount for affordable housing.

If passed, this change will make it easier for local governments to continue to leverage this important tool to increase the affordable housing supply.

FAA supports the passage of SB 1440 / HB 1299 to preserve the longevity of the optional local property tax discount under the Live Local Act.

