

1 Introduced by Council Member Morgan:
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4 **ORDINANCE 2023-349**

5 AN ORDINANCE CREATING A NEW PART 6 (AFFORDABLE
6 HOUSING PROPERTY TAX EXEMPTION), CHAPTER 780
7 (PROPERTY TAX), *ORDINANCE CODE*, TO IMPLEMENT THE
8 AFFORDABLE HOUSING PROPERTY TAX EXEMPTION
9 AUTHORIZED BY SECTION 196.1979, *FLORIDA*
10 *STATUTES*; DIRECTING THE CHIEF OF LEGISLATIVE
11 SERVICES TO FORWARD A COPY OF THE ORDINANCE UPON
12 ENACTMENT TO THE DUVAL COUNTY PROPERTY
13 APPRAISER; PROVIDING FOR SEVERABILITY;
14 PROVIDING FOR CODIFICATION INSTRUCTIONS;
15 PROVIDING AN EFFECTIVE DATE.
16

17 **WHEREAS**, the City of Jacksonville is facing a housing crisis
18 marked by a significant shortage of affordable and workforce rental
19 housing which is anticipated to worsen over the coming years; and

20 **WHEREAS**, the Florida Housing Coalition conducted a study in
21 2020 focusing on Florida's 3.15 million low-income households and
22 found that close to two million (1,997,040) are "cost-burdened",
23 which represents 63 percent of low-income households and 26 percent
24 of all Florida households; and

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

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

1 **WHEREAS,** the Jacksonville Housing Authority has also reported
2 that rental rate increases in Jacksonville were as high as 22 percent
3 between 2021 and 2022 in addition to the reported rent increase of
4 more than ten percent between 2020 and 2021 placing Jacksonville in
5 the top ten metro areas in the nation for rental price increases; and

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

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

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

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

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

1 up to 100 percent if 100 percent of the multifamily project is used
2 to provide affordable housing; and

3 **WHEREAS,** in light of the affordable housing crisis in the City
4 of Jacksonville and the need to provide incentives and relief to
5 property owners who provide rental units for affordable housing, the
6 City Council desires to implement the additional ad valorem tax
7 exemption authorized by the Act; now, therefore

8 **BE IT ORDAINED** by the Council of the City of Jacksonville:

9 **Section 1. Creating a new Part 6 (Affordable Housing**
10 **Property Tax Exemption), Chapter 780 (Property Tax), Ordinance Code.**

11 A new Part 6 (Affordable Housing Property Tax Exemption), Chapter 780
12 (Property Tax), *Ordinance Code*, is hereby created to read as follows:

13 **CHAPTER 780 - PROPERTY TAX**

14 * * *

15 **PART 6. - LOCAL OPTION AFFORDABLE HOUSING TAX EXEMPTION**

16 **Sec. 780.601. - Purpose and Application.**

17 (a) During the 2023 legislative session, the Legislature of the
18 State of Florida approved Senate Bill 102, commonly known as the
19 "Live Local Act" (the "Act"), to make various changes and
20 additions to affordable housing related programs and policies
21 at both the state and local level. The Act was signed into law
22 on March 29, 2023, and created Section 196.1979, *Florida*
23 *Statutes*, which authorizes local governments to adopt an
24 ordinance that exempts those portions of property used to
25 provide affordable housing for natural persons or families
26 meeting the income limits subject to certain criteria. The City
27 of Jacksonville desires to implement this tax exemption to
28 provide an additional incentive for development of affordable
29 housing to meet the needs of the City's residents.

30 (b) The exemption authorized in this Part shall only apply to taxes
31 levied by the City of Jacksonville.

1 **Sec. 780.602. - Criteria.**

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

6 i. The property must be used to house natural persons or
7 families whose annual household income:

8 a. Is greater than 30 percent but not more than 60
9 percent of the median annual adjusted gross income
10 for households within Duval County; or

11 b. Does not exceed 30 percent of the median annual
12 adjusted gross income for households within Duval
13 County.

14 ii. The property must be within a multifamily project
15 containing 50 or more residential units, at least 20
16 percent of which are used to provide affordable housing
17 that meets the requirements of Section 196.1979, *Florida*
18 *Statutes*;

19 iii. The property must be rented for an amount no greater than
20 the amount as specified by the most recent multifamily
21 rental programs income and rent limit chart posted by the
22 Florida Housing Finance Corporation and derived from the
23 Multifamily Tax Subsidy Projects Income Limits published
24 by the United States Department of Housing and Urban
25 Development or 90 percent of the fair market value rent as
26 determined by a rental market study meeting the
27 requirements of Section 780.604(g), whichever is less;

28 iv. The property may not have been cited for code violations
29 on three or more occasions in the 24 months before the
30 submission of a tax exemption application;

31 v. The property may not have any cited code violations that

1 have not been properly remedied by the property owner
2 before the submission of a tax exemption application; and
3 vi. The property may not have any unpaid fines or charges
4 relating to the cited code violations. Payment of unpaid
5 fines or charges before a final determination on a
6 property's qualification for an exemption under this Part
7 will not exclude such property from eligibility if the
8 property otherwise complies with all other requirements
9 for the exemption.

10 **Sec. 780.603. - Local Option Affordable Housing Tax Exemption.**

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

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

18 ii. 100 percent of the assessed value if 100 percent of the
19 multifamily project's residential units are used to provide
20 affordable housing meeting the requirements of this
21 Section.

22 (b) If a residential unit that in the previous year qualified for
23 the exemption under this Section and was occupied by a tenant
24 is vacant on January 1, the vacant unit may qualify for the
25 exemption under this Section if the use of the unit is restricted
26 to providing affordable housing that would otherwise meet the
27 requirements of this Section and a reasonable effort is made to
28 lease the unit to eligible persons or families.

29 **Sec. 780.604. - Application for Certification.**

30 (a) The City's Neighborhoods Department, or such other department
31 as determined by the Mayor (the "Department"), shall develop,

1 receive, and review applications for certification and develop
2 notices of determination of eligibility.

3 (b) Any property owner claiming the property tax exemption provided
4 for by this Part must apply for certification by the Department
5 by January 15 for each year for which such exemption is claimed.
6 The Department shall publish the deadline to submit the
7 application for certification in a prominent location on the
8 City of Jacksonville's website. The application for
9 certification must be on a form provided by the Department and
10 shall include the following:

- 11 i. The most recently completed rental market study meeting
12 the requirements of Section 780.604(g);
- 13 ii. A list of the units for which the property owner is seeking
14 an exemption; and
- 15 iii. The rent amount received by the property owner for each
16 unit for which the property owner seeks an exemption, and
17 if a unit is vacant and qualifies for an exemption under
18 Section 780.602, the property owner must provide evidence
19 of the published rent amount for the vacant unit.

20 (c) The Department shall verify and certify property for which an
21 application is received that meets the requirements of this
22 Section as qualified property and forward the certification to
23 the property owner and to the Duval County Property Appraiser
24 (the "Property Appraiser"). If the Department denies the
25 application for certification, it must notify the property owner
26 and include the reason for the denial.

27 (d) The property owner shall submit an application for exemption,
28 on a form prescribed by the Department, accompanied by the
29 certification of qualified property, to the Property Appraiser
30 no later than March 1 of each year for which the exemption is
31 claimed.

- 1 (e) The property owner may not receive an exemption authorized by
2 this Part after expiration or repeal by ordinance of this Part.
- 3 (f) The Department shall publish or cause to be published in a
4 prominent location on the City of Jacksonville website, a list
5 of the properties that have been certified as having met the
6 requirements of this Part for the purpose of facilitating access
7 to affordable housing.
- 8 (g) The rental market study submitted as required by Section
9 780.602(a)iii. must identify the fair market value rent of each
10 unit for which the property owner seeks an exemption. Only a
11 certified general appraiser, as defined in Section 475.611,
12 *Florida Statutes*, may issue a rental market study. The certified
13 general appraiser must be independent of the property owner who
14 requests a rental market study. In preparing the rental market
15 study, a certified general appraiser shall comply with the
16 standards of professional practice pursuant to Part II of
17 Chapter 475, *Florida Statutes*, and use comparable property
18 within the same geographic area and of the same type as the
19 property for which the exemption is sought. A rental market
20 study must have been completed within three years before
21 submission of the application.
- 22 (h) If the Property Appraiser determines that for any year during
23 the immediately previous ten years a person who was not entitled
24 to an exemption under this Part was granted such an exemption,
25 the Property Appraiser must serve upon the owner a notice of
26 intent to record in the public records of Duval County a notice
27 of tax lien against any property owned by that person in Duval
28 County, and that property must be identified in the notice of
29 tax lien. Any property owned by the taxpayer and situated in
30 this state is subject to the taxes exempted by the improper
31 exemption, plus a penalty of 50 percent of the unpaid taxes for

1 each year and interest at a rate of 15 percent per annum. If an
2 exemption is improperly granted as a result of a clerical mistake
3 or an omission by the Property Appraiser, the property owner
4 improperly receiving the exemption may not be assessed a penalty
5 or interest.

6 **Sec. 780.605. - Exemption Period.**

7 The exemption period shall expire on December 31, 2026 unless,
8 prior to said expiration date, the City Council shall pass legislation
9 to extend the tax exemption as authorized by Section 196.1979, *Florida*
10 *Statutes*. The Mayor, or the Mayor's designee, on behalf of the City
11 Council shall notify the Department and the Property Appraiser within
12 ten days after the expiration or repeal of this Part.

13 **Sec. 780.606. - Annual Report.**

14 The Department shall prepare and submit an annual report to the
15 City Council regarding the tax exemption authorized by this Part.
16 The report shall be filed in December of each calendar year and shall
17 summarize the activities of the Department related to the tax
18 exemption during the previous calendar year. The information
19 contained in the annual report shall include, but not be limited to,
20 the following: (1) a list of properties for which applications were
21 received; (2) the number of properties that qualified for the
22 exemption; (3) the total dollar amount of taxes exempted; and (4) any
23 other information requested by Council or considered significant by
24 the Department.

25 **Section 2. Directing Legislative Services to Forward**
26 **Ordinance Upon Enactment.** The Chief of the Legislative Services
27 Division is hereby directed to forward a copy of this Ordinance upon
28 enactment to the Duval County Property Appraiser.

29 **Section 3. Severability.** The provisions of this Ordinance,
30 including sections and subsections within the Ordinance, are intended
31 to be severable and if any provision is declared invalid or

1 unenforceable by a court of competent jurisdiction, such provision
2 shall be severed and the remainder shall continue in full force and
3 effect, with the Ordinance being deemed amended to the least degree
4 legally permissible.

5 **Section 4. Codification Instructions.** The Codifier and the
6 Office of General Counsel are authorized to make all chapter and
7 division "table of contents" consistent with the changes set forth
8 herein. Such editorial changes and any other necessary to make the
9 *Ordinance Code* consistent with the intent of this legislation are
10 approved and directed herein, and the changes to the *Ordinance Code*
11 shall be made forthwith and when inconsistencies are discovered.

12 **Section 5. Effective Date.** This Ordinance shall become
13 effective upon signature by the Mayor or upon becoming effective
14 without the Mayor's signature.

15
16 Form Approved:

17
18 /s/ Mary E. Staffopoulos

19 Office of General Counsel

20 Legislation Prepared By: Mary E. Staffopoulos

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