

1 Introduced by Council Member Morgan and Co-Sponsored by Council Member
2 Priestly Jackson and amended by the Neighborhoods, Community
3 Services, Public Health and Safety Committee:
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6 **ORDINANCE 2023-349-E**

7 AN ORDINANCE CREATING A NEW PART 6 (LOCAL OPTION
8 AFFORDABLE HOUSING TAX EXEMPTION), CHAPTER 780
9 (PROPERTY TAX), *ORDINANCE CODE*, TO IMPLEMENT THE
10 AFFORDABLE HOUSING PROPERTY TAX EXEMPTION
11 AUTHORIZED BY SECTION 196.1979, *FLORIDA*
12 *STATUTES*; DIRECTING THE CHIEF OF LEGISLATIVE
13 SERVICES TO FORWARD A COPY OF THE ORDINANCE UPON
14 ENACTMENT TO THE DUVAL COUNTY PROPERTY
15 APPRAISER; PROVIDING FOR SEVERABILITY;
16 PROVIDING FOR CODIFICATION INSTRUCTIONS;
17 PROVIDING AN EFFECTIVE DATE.
18

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

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

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

30 **WHEREAS**, there is a current supply gap for affordable housing
31 of approximately 12,000 units due, in part, to the influx of

1 approximately 300,000 new residents to the state of Florida between
2 spring and summers of 2020 and 2021; and

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

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

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

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

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

31 **WHEREAS,** the Act authorizes a municipality to provide an ad

1 valorem tax exemption of up to 75 percent if less than 100 percent
2 of the multifamily project is used to provide affordable housing and
3 up to 100 percent if 100 percent of the multifamily project is used
4 to provide affordable housing; and

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

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

11 **Section 1. Creating a new Part 6 (Local Option Affordable**
12 **Housing Tax Exemption), Chapter 780 (Property Tax), Ordinance Code.**

13 A new Part 6 (Local Option Affordable Housing Tax Exemption), Chapter
14 780 (Property Tax), *Ordinance Code*, is hereby created to read as
15 follows:

16 **CHAPTER 780 - PROPERTY TAX**

17 * * *

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

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

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

1 housing to meet the needs of the City's residents.

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

4 **Sec. 780.602. - Criteria.**

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

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

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

14 b. Does not exceed 30 percent of the median annual
15 adjusted gross income for households within Duval
16 County.

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

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

31 iv. The property may not have been cited for code violations

1 on three or more occasions in the 24 months before the
2 submission of a tax exemption application;

3 v. The property may not have any cited code violations that
4 have not been properly remedied by the property owner
5 before the submission of a tax exemption application; and

6 vi. The property may not have any unpaid fines or charges
7 relating to the cited code violations. Payment of unpaid
8 fines or charges before a final determination on a
9 property's qualification for an exemption under this Part
10 will not exclude such property from eligibility if the
11 property otherwise complies with all other requirements
12 for the exemption.

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

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

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

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

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

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

2 (a) The City's Neighborhoods Department, or such other department
3 as determined by the Mayor (the "Department"), shall develop,
4 receive, and review applications for certification and develop
5 notices of determination of eligibility.

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

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

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

30 (d) The property owner shall submit an application for exemption,
31 on a form prescribed by the Department, accompanied by the

1 certification of qualified property, to the Property Appraiser
2 no later than March 1 of each year for which the exemption is
3 claimed.

4 (e) The property owner may not receive an exemption authorized by
5 this Part after expiration or repeal by ordinance of this Part.

6 (f) The Department shall publish or cause to be published in a
7 prominent location on the City of Jacksonville website, a list
8 of the properties that have been certified as having met the
9 requirements of this Part for the purpose of facilitating access
10 to affordable housing.

11 (g) The rental market study submitted as required by Section
12 780.602(a)iii. must identify the fair market value rent of each
13 unit for which the property owner seeks an exemption. Only a
14 certified general appraiser, as defined in Section 475.611,
15 *Florida Statutes*, may issue a rental market study. The certified
16 general appraiser must be independent of the property owner who
17 requests a rental market study. In preparing the rental market
18 study, a certified general appraiser shall comply with the
19 standards of professional practice pursuant to Part II of
20 Chapter 475, *Florida Statutes*, and use comparable property
21 within the same geographic area and of the same type as the
22 property for which the exemption is sought. A rental market
23 study must have been completed within three years before
24 submission of the application.

25 (h) If the Property Appraiser determines that for any year during
26 the immediately previous ten years a person who was not entitled
27 to an exemption under this Part was granted such an exemption,
28 the Property Appraiser must serve upon the owner a notice of
29 intent to record in the public records of Duval County a notice
30 of tax lien against any property owned by that person in Duval
31 County, and that property must be identified in the notice of

1 tax lien. Any property owned by the taxpayer and situated in
2 this state is subject to the taxes exempted by the improper
3 exemption, plus a penalty of 50 percent of the unpaid taxes for
4 each year and interest at a rate of 15 percent per annum. If an
5 exemption is improperly granted as a result of a clerical mistake
6 or an omission by the Property Appraiser, the property owner
7 improperly receiving the exemption may not be assessed a penalty
8 or interest.

9 **Sec. 780.605. - Exemption Period.**

10 The exemption period shall first apply to the 2024 tax roll and
11 shall expire on December 31, 2026 unless, prior to said expiration
12 date, the City Council shall pass legislation to extend the tax
13 exemption as authorized by Section 196.1979, *Florida Statutes*. The
14 Mayor, or the Mayor's designee, on behalf of the City Council shall
15 notify the Department and the Property Appraiser within ten days
16 after the expiration or repeal of this Part.

17 **Sec. 780.606. - Annual Report.**

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

29 **Section 2. Directing Legislative Services to Forward**
30 **Ordinance Upon Enactment.** The Chief of the Legislative Services
31 Division is hereby directed to forward a copy of this Ordinance within

1 10 days after its enactment to the Duval County Property Appraiser
2 and the Neighborhoods Department.

3 **Section 3. Severability.** The provisions of this Ordinance,
4 including sections and subsections within the Ordinance, are intended
5 to be severable and if any provision is declared invalid or
6 unenforceable by a court of competent jurisdiction, such provision
7 shall be severed and the remainder shall continue in full force and
8 effect, with the Ordinance being deemed amended to the least degree
9 legally permissible.

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

17 **Section 5. Effective Date.** This Ordinance shall become
18 effective upon signature by the Mayor or upon becoming effective
19 without the Mayor's signature.

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21 Form Approved:

22
23 /s/ Mary E. Staffopoulos

24 Office of General Counsel

25 Legislation Prepared By: Mary E. Staffopoulos

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