SB 102 – Live Local Act

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First and Foremost – Funding

•The bill provides unprecedented funding for the State Housing Initiatives Partnership (SHIP) and State Apartment Incentive Loan (SAIL) programs.

- •Specifically, the package appropriates $252 million in non-recurring funds toward SHIP and $259 million in total ($150 million recurring and $109 million non-recurring) toward SAIL.

•Provides for a new distribution of the lesser of 8 percent of Documentary Stamp Tax revenues or $150 million be deposited into the State Housing Trust Fund. In the event that the 8 percent Doc Stamp collection exceeds $150 million, the surplus will be deposited into General Revenue.

•Codifies the Hometown Heroes program, which provides downpayment assistance and zero interest loans to eligible frontline community workforce members.

- •Provides $100 million for the Hometown Heroes Program

•Provides $100 million in non-recurring General Revenue funds to implement a competitive loan program to alleviate inflation-related cost increases

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New Tax Exemptions for Affordable Housing

•**Sales Tax** – up to $5000 refund for sales tax paid on Building Materials used to construct affordable housing units funded by FHFC

•**Various Taxes** –

- •Increased Community Contribution Tax Credit for affordable housing from $14.5 million to $25 million annually
- •Created new tax donation program to allow corporate taxpayers to direct certain tax payments to FHFC, up to $100 million annually, to fund the SAIL program

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New Tax Exemptions for Affordable Housing (Continued)

- **Property taxes**
  - New statewide exemption for land owned by a nonprofit entity that is leased for a minimum of 99 years for the purpose of providing affordable housing.
    - This exemption is repealed 12/31/2059.
  - New statewide exemption that applies to rent-restricted units within newly constructed or substantially rehabilitated developments setting aside at least 70 units for affordable housing for households earning 120 percent of area median income or less. For those units serving residents at 80% and 120% of the AMI threshold receive a 70% exemption,
    - Those units serving residents below 80% of the AMI threshold will receive a 100% exemption
    - This exemption is repealed 12/31/2059.
  - Two new provisions that authorize counties and municipalities to offer, through ordinance, an ad valorem tax exemption for their own levies to property owners who dedicate units for affordable housing for households earning between 30 and 60 percent of area median income or less and/or for affordable housing for households earning below 30 percent of the area median income.
    - Local governments may adopt none, either, or both exemptions
    - If all units are affordable, the exemption is up to 100%, if not, it is up to 75% for those units that are affordable.
    - Ordinance adopting the exemption must expire before the fourth January 1 after adoption, but may be reenacted
    - Properties with three or more code violations in the past 24 months or outstanding code enforcement fines are not eligible for the exemption

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<u>Land Use and Affordable Housing</u>

•Authorizes counties to approve “mixed-use residential” development at their discretion that includes affordable housing (greater than 10% of the units within the development meet the criteria of affordable), within commercial or industrial zones.

•Requires counties to authorize multi-family and mixed-use residential as allowable uses in mixed use and commercial zones, conditional on 40% of the residential units meeting the criteria of “affordable” for 30 years.

- •Additionally, the bill provides height and density incentives for residential development authorized under this section:

    - •Prohibits counties from restricting the density of an eligible proposed affordable housing development below the highest allowed density on any unincorporated land within the county

    - •Prohibits counties from restricting the height of an eligible proposed affordable housing development below the highest currently allowed within one mile of the proposed development within the jurisdiction OR three stories—whichever is higher.

        - •These provisions expire October 1, 2033.
        - •Do not apply to property defined as recreational and commercial working waterfronts in any area zoned industrial

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Other Provisions of the Live Local Act

•Removes provision in current law allowing local governments to impose rent control under certain circumstances, preempting rent control ordinances entirely.

•Requires local governments to maintain a public written policy outlining procedures for expediting building permits and development orders for affordable housing projects.

•Requires counties and cities to update and electronically publish the inventory of publicly owned properties which may be appropriate for affordable housing development.

•Adds two members to the FHFC Board of Directors, one appointed by the leader of each chamber of the Legislature.

•Broadens the ability for the FHFC to invest in affordable housing developments for those in or aging out of foster care

•Revises the State Housing Strategy to align with current best practices and goals

•Clarifies current law to ensure all local government requests for surplus lands are expedited.

•Expands Job Growth Grant Fund eligibility to specifically authorize public infrastructure projects that support affordable housing.