

Introduced by Council Member Morgan and Co-Sponsored by Council Member Priestly Jackson and amended by the Neighborhoods, Community Services, Public Health and Safety Committee:

**ORDINANCE 2023-349-E**

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

**WHEREAS,**

the City of Jacksonville 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 current 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 Jacksonville Housing Authority has also reported that rental rate increases in Jacksonville were as high as 22 percent between 2021 and 2022 in addition to the reported rent increase of more than ten percent between 2020 and 2021 placing Jacksonville in the top ten metro areas in the nation for rental price increases; and

**WHEREAS,**

because of the shortage of affordable and workforce housing and steep rise in rental rates, a large number of renters in the Jacksonville 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 up to 100 percent if 100 percent of the multifamily project is used to provide affordable housing; and

**WHEREAS,**

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

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

**Section 1. Creating a new Part 6 (Local Option Affordable Housing Tax Exemption), Chapter 780 (Property Tax), Ordinance Code.**  
A n Part 6 (Local Option Affordable Housing Tax Exemption), Chapter 780 (Property Tax), *Ordinance Code*, is hereby created to read as follows:

**CHAPTER 780 - PROPERTY TAX**

\* \* \*

**PART 6. - LOCAL OPTION AFFORDABLE HOUSING TAX EXEMPTION****Sec. 780.601. - 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

1 additions to affordable housing related programs and policies  
2 at both the state and local level. The Act was signed into law  
3 on March 29, 2023, and created Section 196.1979, *Florida*  
4 *Statutes*, which authorizes local governments to adopt an  
5 ordinance that exempts those portions of property used to  
6 provide affordable housing for natural persons or families  
7 meeting the income limits subject to certain criteria. The City  
8 of Jacksonville desires to implement this tax exemption to  
9 provide an additional incentive for development of affordable  
10 housing to meet the needs of the City's residents.

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

13 **Sec. 780.602. - Criteria.**

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

- 18 i. The property must be used to house natural persons or  
19 families whose annual household income:  
20 a. Is greater than 30 percent but not more than 60  
21 percent of the median annual adjusted gross income  
22 for households within Duval County; or  
23 b. Does not exceed 30 percent of the median annual  
24 adjusted gross income for households within Duval  
25 County.  
26 ii. The property must be within a multifamily project  
27 containing 50 or more residential units, at least 20  
28 percent of which are used to provide affordable housing  
29 that meets the requirements of Section 196.1979, *Florida*  
30 *Statutes*;  
31 iii. The property must be rented for an amount no greater than

1 the amount as specified by the most recent multifamily  
2 rental programs income and rent limit chart posted by the  
3 Florida Housing Finance Corporation and derived from the  
4 Multifamily Tax Subsidy Projects Income Limits published  
5 by the United States Department of Housing and Urban  
6 Development or 90 percent of the fair market value rent as  
7 determined by a rental market study meeting the  
8 requirements of Section 780.604(g), whichever is less;

- 9 iv. The property may not have been cited for code violations  
10 on three or more occasions in the 24 months before the  
11 submission of a tax exemption application;
- 12 v. The property may not have any cited code violations that  
13 have not been properly remedied by the property owner  
14 before the submission of a tax exemption application; and
- 15 vi. The property may not have any unpaid fines or charges  
16 relating to the cited code violations. Payment of unpaid  
17 fines or charges before a final determination on a  
18 property's qualification for an exemption under this Part  
19 will not exclude such property from eligibility if the  
20 property otherwise complies with all other requirements  
21 for the exemption.

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

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

- 25 i. 75 percent of the assessed value of each residential unit  
26 used to provide affordable housing if fewer than 100  
27 percent of the multifamily project's residential units are  
28 used to provide affordable housing meeting the requirements  
29 of this Section.
- 30 ii. 100 percent of the assessed value if 100 percent of the  
31 multifamily project's residential units are used to provide  
32

1           affordable housing meeting the requirements of this  
2           Section.

- 3 (b) If a residential unit that in the previous year qualified for  
4 the exemption under this Section and was occupied by a tenant  
5 is vacant on January 1, the vacant unit may qualify for the  
6 exemption under this Section if the use of the unit is restricted  
7 to providing affordable housing that would otherwise meet the  
8 requirements of this Section and a reasonable effort is made to  
9 lease the unit to eligible persons or families.

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

- 11 (a) The City's Neighborhoods Department, or such other department  
12 as determined by the Mayor (the "Department"), shall develop,  
13 receive, and review applications for certification and develop  
14 notices of determination of eligibility.
- 15 (b) Any property owner claiming the property tax exemption provided  
16 for by this Part must apply for certification by the Department  
17 by January 15 for each year for which such exemption is claimed.  
18 The Department shall publish the deadline to submit the  
19 application for certification in a prominent location on the  
20 City of Jacksonville's website. The application for  
21 certification must be on a form provided by the Department and  
22 shall include the following:
- 23       i. The most recently completed rental market study meeting  
24       the requirements of Section 780.604(g);
  - 25       ii. A list of the units for which the property owner is seeking  
26       an exemption; and
  - 27       iii. The rent amount received by the property owner for each  
28       unit for which the property owner seeks an exemption, and  
29       if a unit is vacant and qualifies for an exemption under  
30       Section 780.602, the property owner must provide evidence  
31       of the published rent amount for the vacant unit.

- 1 (c) The Department shall verify and certify property for which an  
2 application is received that meets the requirements of this  
3 Section as qualified property and forward the certification to  
4 the property owner and to the Duval County Property Appraiser  
5 (the "Property Appraiser"). If the Department denies the  
6 application for certification, it must notify the property owner  
7 and include the reason for the denial.
- 8 (d) The property owner shall submit an application for exemption,  
9 on a form prescribed by the Department, accompanied by the  
10 certification of qualified property, to the Property Appraiser  
11 no later than March 1 of each year for which the exemption is  
12 claimed.
- 13 (e) The property owner may not receive an exemption authorized by  
14 this Part after expiration or repeal by ordinance of this Part.
- 15 (f) The Department shall publish or cause to be published in a  
16 prominent location on the City of Jacksonville website, a list  
17 of the properties that have been certified as having met the  
18 requirements of this Part for the purpose of facilitating access  
19 to affordable housing.
- 20 (g) The rental market study submitted as required by Section  
21 780.602(a)iii. must identify the fair market value rent of each  
22 unit for which the property owner seeks an exemption. Only a  
23 certified general appraiser, as defined in Section 475.611,  
24 *Florida Statutes*, may issue a rental market study. The certified  
25 general appraiser must be independent of the property owner who  
26 requests a rental market study. In preparing the rental market  
27 study, a certified general appraiser shall comply with the  
28 standards of professional practice pursuant to Part II of  
29 Chapter 475, *Florida Statutes*, and use comparable property  
30 within the same geographic area and of the same type as the  
31 property for which the exemption is sought. A rental market

1 study must have been completed within three years before  
2 submission of the application.

- 3 (h) If the Property Appraiser determines that for any year during  
4 the immediately previous ten years a person who was not entitled  
5 to an exemption under this Part was granted such an exemption,  
6 the Property Appraiser must serve upon the owner a notice of  
7 intent to record in the public records of Duval County a notice  
8 of tax lien against any property owned by that person in Duval  
9 County, and that property must be identified in the notice of  
10 tax lien. Any property owned by the taxpayer and situated in  
11 this state is subject to the taxes exempted by the improper  
12 exemption, plus a penalty of 50 percent of the unpaid taxes for  
13 each year and interest at a rate of 15 percent per annum. If an  
14 exemption is improperly granted as a result of a clerical mistake  
15 or an omission by the Property Appraiser, the property owner  
16 improperly receiving the exemption may not be assessed a penalty  
17 or interest.

18 **Sec. 780.605. - Exemption Period.**

19 The exemption period shall first apply to the 2024 tax roll and  
20 shall expire on December 31, 2026 unless, prior to said expiration  
21 date, the City Council shall pass legislation to extend the tax  
22 exemption as authorized by Section 196.1979, *Florida Statutes*. The  
23 Mayor, or the Mayor's designee, on behalf of the City Council shall  
24 notify the Department and the Property Appraiser within ten days  
25 after the expiration or repeal of this Part.

26 **Sec. 780.606. - Annual Report.**

27 The Department shall prepare and submit an annual report to the  
28 City Council regarding the tax exemption authorized by this Part.  
29 The report shall be filed in December of each calendar year and shall  
30 summarize the activities of the Department related to the tax  
31 exemption during the previous calendar year. The information



1 contained in the annual report shall include, but not be limited to,  
2 the following: (1) a list of properties for which applications were  
3 received; (2) the number and addresses of properties that qualified  
4 for the exemption; (3) the total dollar amount of taxes exempted; and  
5 (4) any other information requested by Council or considered  
6 significant by the Department.

7       **Section 2. Directing Legislative Services to Forward**  
8 **Ordinance Upon Enactment.** The Chief of the Legislative Services  
9 Division is hereby directed to forward a copy of this Ordinance within  
10 10 days after its enactment to the Duval County Property Appraiser  
11 and the Neighborhoods Department.

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

19       **Section 4. Codification Instructions.** The Codifier and  
20 the Office of General Counsel are authorized to make all chapter and  
21 division "table of contents" consistent with the changes set forth  
22 herein. Such editorial changes and any other necessary to make the  
23 *Ordinance Code* consistent with the intent of this legislation are  
24 approved and directed herein, and the changes to the *Ordinance Code*  
25 shall be made forthwith and when inconsistencies are discovered.

26       **Section 5. Effective Date.** This Ordinance shall become  
27 effective upon signature by the Mayor or upon becoming effective  
28 without the Mayor's signature.

29  
30 Form Approved:  
31

1                  /s/ Mary E. Staffopoulos          

2        Office of General Counsel

3        Legislation Prepared By: Mary E. Staffopoulos

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