

# Florida Live Local Act Tax Exemption Guidance Officially Updated

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The Live Local Act provides a property tax exemption of up to 100% of the assessed value of a qualifying project's units. In order to qualify, a project must contain at least 71 housing units, and must serve housing occupants with household incomes which are equal to or less than 120% of AMI.

Qualifying projects are eligible to receive an exemption equal to: (i) 75% of the assessed value of units serving occupants whose household income is greater than 80% of AMI, but no greater than 120% of AMI, or (ii) 100% of the assessed value of units serving occupants whose household income is at or below 80% of AMI. The Florida Housing Finance Corporation ("Florida Housing") refers to this program as the "Missing Middle" or "Live Local Act" property tax exemption.

Property owners who wish to apply for a "Missing Middle" property tax exemption, must first apply for a Missing Middle Market Certification with Florida Housing. Property owners who successfully obtain Missing Middle certification from Florida Housing may then apply for a Missing Middle property tax exemption with their local property appraiser (within the prescribed deadlines). Florida Housing's Middle Market Tax Exemption Certification Portal officially went live on October 2, 2023, and property owners are now able to begin applying for certification for 2024.

**NOTE, APPLICATIONS MUST BE SUBMITTED BY DECEMBER 31, 2023, TO APPLY FOR 2024 TAX EXEMPTION.**

Florida Housing has been providing ongoing guidance since the enactment of the Live Local Act, including the following guidance published by Florida Housing on November 29, 2023:

## **Occupation type**

Occupation type does not impact eligibility for certification. Therefore,

multifamily projects that provide affordable housing for full-time students and graduate assistants are eligible for certification, provided, that the property is otherwise eligible. Accordingly, income should be assessed for all members of the household, regardless of the occupation type (including students).

### **Exemption determination**

Florida Housing will not determine what level of exemption a unit qualifies for (i.e. 75% or 100%). Florida Housing will ask property owners what planned income category particular units are serving as of January 1, but the local property appraiser will determine what exemption a unit is eligible for

### **Charges or fees are to be included within the maximum rental allowance**

Any charge or fee (or tax) that is a condition of occupancy is included in the maximum allowable rent. Determining whether a charge is a “condition of occupancy” is a fact-specific analysis for each development. If a resident is required to pay a certain fee as a condition of occupancy and may not opt out of the fee, such a fee would be considered a condition of occupancy and would be considered included in the maximum rental allowance.

For example, if the owner charges a fee for pest control that the resident may not opt out of, such a fee is included in the maximum rent allowance.

Alternatively, if the owner charges a fee for parking that the resident may opt out of, the fee (whether the resident opts to pay or not) is not included in the maximum rental allowance. Fees for access to common areas of the development (that are separate from any other voluntary amenity or service) are included within the maximum rental allowance. Furthermore, ratio utility billing systems (RUBS) or other submetering for electricity, gas, and water are not included within the maximum rental allowance. While those billing systems are mandatory, the resident has control over the amount of utilities used and therefore can be considered to opt-in to whatever cost of utility is charged.

### **Utility allowance**

No utility allowance will be required for purposes of Missing Middle certification.

### **Rental market study**

The rental market study should provide the average market rent for the units by bedroom count, without differentiation. If there are multiple market rental rates for a particular unit based on bedroom count (for example, in the event there are different floor plans for the same bedroom count) the highest applicable market rate for such bedroom count should be provided.

### **Income qualification process**

Property owners are responsible for maintaining and verifying documentation regarding tenant income and eligibility. Florida Housing will require that owners verify that tenant rents and households are in place as of January 1st, between January 1 – January 15. The referenced verification to Florida Housing will occur via attestation and no additional documentation will be required by Florida Housing. However, the owner may be required to provide substantiating documentation of the verification, at the property appraiser's request.

### **Non-occupant guarantors**

Property owners do not need to include the income of a non-occupant guarantor for purposes of calculating household income.

### **Income (generally)**

Any assets or accounts that a tenant receives regular and periodic payments from should be included when assessing a tenant or households' income. Examples include (but are not limited to) payments from retirement accounts or trusts made on a regularly occurring basis, social security benefits, pensions, etc. Additional inquiries or case-specific inquiries as to how income will be assessed by the property appraiser, should be addressed to the applicable local property appraiser's office.

## **Related Practices**

[Affordable Housing & Tax Credit](#); [Real Estate](#); [Land Use & Zoning](#)

## **Related People**



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