

Webinar

The Latest on Live Local

Date: March 27, 2024

00:00:08 --> 00:00:09: Good afternoon, everybody.

00:00:09 --> 00:00:13: We're just going to give it another couple seconds or

00:00:13 --> 00:00:15: so to get everyone joined in.

00:00:48 --> 00:00:50: All right, everyone in the interest of time, we're going

00:00:50 --> 00:00:51: to go ahead and get started.

00:00:51 --> 00:00:53: So thank you all so much for joining us today.

00:00:53 --> 00:00:56: I'm Liza Perry, one of the Co chairs of the

00:00:56 --> 00:01:00: Young Leaders group of Miami, alongside my Co chair, Eddie

00:01:00 --> 00:01:01: Valley.

00:01:02 --> 00:01:06: Today's presentation is brought to you by the ULI Southeast

00:01:06 --> 00:01:08: Florida Young Leaders Group.

00:01:08 --> 00:01:11: And if you're new to Uli, have any questions, comments,

00:01:11 --> 00:01:15: would like to get more involved, please reach out to

00:01:15 --> 00:01:17: myself, to Eddie or to Mallory.

00:01:17 --> 00:01:20: Mallory's also going to put some links in the chat

00:01:20 --> 00:01:23: if you would like to get more involved through that.

00:01:24 --> 00:01:27: Just a quick reminder that we will be recording today's

00:01:27 --> 00:01:30: session and if you have any questions along the way,

00:01:30 --> 00:01:33: feel free to enter them into the chat and then

00:01:33 --> 00:01:35: Mark and Harrison will get to them as they can

00:01:35 --> 00:01:38: or you can hold your questions till the end.

00:01:38 --> 00:01:39: There will be time for Q&A.

00:01:39 --> 00:01:43: And now I'd like to introduce Mark Grafton and Harrison

00:01:43 --> 00:01:46: Denman to share the latest on the live local act.

00:01:47 --> 00:01:49: So passing it over to Harrison and Mark, all yours.

00:01:50 --> 00:01:50: Great.

00:01:50 --> 00:01:51: Thanks, Liza.

00:01:51 --> 00:01:53: Thanks, Mallory, Eddie, everybody.

00:01:54 --> 00:01:57: So this is about a a fun topic that we've
00:01:57 --> 00:02:00: been getting a lot of questions about.
00:02:00 --> 00:02:02: There's a lot of interest about the live local act.
00:02:03 --> 00:02:07: This is going to talk about both the the original
00:02:07 --> 00:02:10: live local act and then also some updates from the
00:02:10 --> 00:02:12: recently adopted glitch Bill.
00:02:14 --> 00:02:16: And so we took a look at the list of
00:02:16 --> 00:02:19: attendees and this is, this is an impressive group.
00:02:20 --> 00:02:23: I'm sure many of you will have additional insights and
00:02:23 --> 00:02:24: observations.
00:02:24 --> 00:02:28: So when we conclude we would ask that anybody feel
00:02:28 --> 00:02:32: free to share those in addition to any questions.
00:02:33 --> 00:02:38: So with that, let's let's jump right to it again.
00:02:38 --> 00:02:39: My name is Mark Grafton.
00:02:39 --> 00:02:41: I'm with the Shubin Law Group and the Euclid Group.
00:02:42 --> 00:02:46: I'm a land use lawyer specializing in in complex and
00:02:46 --> 00:02:50: and often controversial development approvals and related
disputes.
00:02:51 --> 00:02:52: My colleague, Harrison.
00:02:53 --> 00:02:55: Hi, nice to meet you everybody.
00:02:55 --> 00:02:56: My name is Harrison Denman.
00:02:56 --> 00:02:58: I work for the Euclid Group.
00:02:58 --> 00:03:03: We're a full service land use, real estate development
consulting
00:03:03 --> 00:03:07: firm, and I do planning, zoning and land use research.
00:03:07 --> 00:03:07: Excellent.
00:03:10 --> 00:03:13: So just a a quick disclaimer that there is some
00:03:13 --> 00:03:17: nuance that's beyond the scope of this presentation today.
00:03:17 --> 00:03:20: So before you go and drop \$100 million to do
00:03:21 --> 00:03:24: a live local project, please make sure that you have
00:03:24 --> 00:03:29: the right group of professionals advising you, which I'm sure
00:03:29 --> 00:03:32: you would do anyway, But with that out of the
00:03:32 --> 00:03:35: way, so the live Local Act, it was became law
00:03:35 --> 00:03:36: last year.
00:03:37 --> 00:03:40: SB-102 is what a lot of people referred to it
00:03:40 --> 00:03:40: as.
00:03:42 --> 00:03:46: There's also a more recent SB328 that just got passed
00:03:46 --> 00:03:50: and it's waiting to be signed by the governor.
00:03:52 --> 00:03:55: That could happen as early as this week, so stay
00:03:55 --> 00:03:56: stay tuned.
00:03:56 --> 00:04:00: So when this was originally passed last year, many people
00:04:00 --> 00:04:05: commented that this was the most significant housing
legislation in

00:04:05 --> 00:04:06: Florida's history.

00:04:08 --> 00:04:12: On a high level, it incentivizes the development of workforce and affordable housing a number of ways.

00:04:12 --> 00:04:15:

00:04:15 --> 00:04:21: Perhaps most controversially are the zoning and land use preemptions

00:04:22 --> 00:04:27: on things like density, height, use and floor area ratio.

00:04:27 --> 00:04:30: Or FAR there are there.

00:04:30 --> 00:04:33: Also you get administrative approval, so you don't have to go through the public hearing process if you are a

00:04:33 --> 00:04:36: qualifying project.

00:04:37 --> 00:04:38:

00:04:38 --> 00:04:40: There are tax benefits.

00:04:41 --> 00:04:44: We'll we'll go into a little bit more detail on

00:04:44 --> 00:04:47: the slides to come, but ad valorem tax exemptions and

00:04:47 --> 00:04:49: sales tax refunds are available.

00:04:50 --> 00:04:56: There's also significant funding incentives for they were allocated to

00:04:56 --> 00:04:59: existing affordable programs.

00:05:01 --> 00:05:01: All right.

00:05:01 --> 00:05:05: So some of the tax benefits associate associated with live

00:05:05 --> 00:05:06: local.

00:05:06 --> 00:05:08: There's several provisions in the bill.

00:05:09 --> 00:05:11: A few of them have to deal with ad valorem

00:05:12 --> 00:05:14: exemption, also property tax exemptions.

00:05:14 --> 00:05:18: This is the ad valorem exemption we've been receiving most

00:05:18 --> 00:05:19: questions about.

00:05:19 --> 00:05:24: It's for qualifying projects with 71 or more affordable units.

00:05:25 --> 00:05:29: It defines the scope for eligible projects by being newly

00:05:29 --> 00:05:34: constructed so improvements that happened or occurred within five years,

00:05:34 --> 00:05:38: Or if the site, the multifamily project, was built within

00:05:38 --> 00:05:42: the last five years, it's eligible for the exemption.

00:05:42 --> 00:05:46: And it can't already have a an existing land use

00:05:46 --> 00:05:51: covenant, a Louvre, that's outstanding with the FHFC.

00:05:51 --> 00:05:54: So there's two exemptions that are that apply here.

00:05:54 --> 00:05:58: It's a 75% exemption if the units are reserved for

00:05:58 --> 00:06:02: households with annual incomes between 80 to 120% of the

00:06:02 --> 00:06:07: applicable Area Median Income, also referred to as the

00:06:07 --> 00:06:12: attainable housing kind of quadrant within the affordable housing sphere.

00:06:12 --> 00:06:16: There's also an 100% ADLERM exemption if the units are

00:06:16 --> 00:06:21: reserved for households with annual incomes below 80% AMI Those

00:06:21 --> 00:06:24: rents are determined by the lesser of a HUD income
00:06:25 --> 00:06:28: and rent study or 90% of a recent fair market
00:06:28 --> 00:06:33: rent analysis for the applicable jurisdiction, whichever is less.
00:06:33 --> 00:06:37: And then sales tax refund for eligible projects on building
00:06:37 --> 00:06:39: materials up to \$5000 a unit.
00:06:42 --> 00:06:45: So what makes a qualifying project?
00:06:45 --> 00:06:49: This is kind of going back to the land use
00:06:49 --> 00:06:51: zoning realm of the live local act.
00:06:52 --> 00:06:56: So eligible properties are those that are zoned commercial,
industrial
00:06:56 --> 00:06:56: or mixed-use.
00:06:57 --> 00:07:02: And there's an exclusion for recreational, commercial,
working, waterfront property
00:07:02 --> 00:07:07: within 1/4 mile of military installation or properties within the
00:07:07 --> 00:07:10: proximity of airports and airport runways.
00:07:10 --> 00:07:12: So there's a 40% rule.
00:07:12 --> 00:07:17: Qualifying projects must ensure at least 40% of the
residential
00:07:17 --> 00:07:21: units are reserved affordable for at least 30 years.
00:07:21 --> 00:07:24: And if the project is mixed-use, at least 65% of
00:07:25 --> 00:07:28: the total gross floor area has to be used for
00:07:28 --> 00:07:29: residential.
00:07:30 --> 00:07:34: Affordable in this case means that it's the units are
00:07:34 --> 00:07:38: rented to people with adjusted household incomes below
120% of
00:07:38 --> 00:07:39: the area.
00:07:39 --> 00:07:44: Median income and rents, including utilities, don't exceed
30% of
00:07:44 --> 00:07:45: a household's AMI.
00:07:45 --> 00:07:50: So for instance, the Miami-Dade County HUD 2023 income
levels.
00:07:50 --> 00:07:54: Just a quick caveat, the HUD income levels come out
00:07:54 --> 00:07:57: typically around May every year, so if you're looking into
00:07:57 --> 00:08:01: this, make sure you're using the most recent HUD study.
00:08:02 --> 00:08:08: So in Miami-Dade County, an individual earning \$86,700 can
charge
00:08:08 --> 00:08:12: or can be charged a a Max rent per month
00:08:12 --> 00:08:13: of around \$2100.
00:08:14 --> 00:08:18: For a family of four, that's 124,000 and 3000 per
00:08:18 --> 00:08:19: month.
00:08:22 --> 00:08:24: All right, so this this is the fun part.
00:08:24 --> 00:08:29: All right, So assuming you have a qualifying project, you're
00:08:29 --> 00:08:34: setting aside 40% of your units as affordable as previously
00:08:34 --> 00:08:38: defined, then you get a number of benefits first.

00:08:39 --> 00:08:43: This kind of goes back to preemption, which I'll just
00:08:43 --> 00:08:47: briefly define to mean a higher level of government
preventing
00:08:47 --> 00:08:51: a lower level of government from exercising certain authority.
00:08:52 --> 00:08:55: And so here it's the state telling the counties and
00:08:55 --> 00:08:59: the cities that they cannot use their zoning and comp
00:08:59 --> 00:09:02: plan to prevent certain development.
00:09:02 --> 00:09:07: And so here commercial and industrial zoned property can
now
00:09:07 --> 00:09:11: be developed as multi family and that's again everything that
00:09:11 --> 00:09:16: we're talking about here is assuming that you are developing
00:09:16 --> 00:09:18: a a qualifying project.
00:09:19 --> 00:09:24: So for density you get the highest permitted density in
00:09:24 --> 00:09:26: that jurisdiction.
00:09:26 --> 00:09:31: City of Miami for example has for the downtown urban
00:09:31 --> 00:09:35: core you can do 1000 units per acre and so
00:09:35 --> 00:09:40: that becomes your permitted density for FAR or FLR.
00:09:40 --> 00:09:43: This is something that came recently from the glitch bill.
00:09:44 --> 00:09:49: You can now receive 150% of the highest permitted FAR
00:09:49 --> 00:09:52: or FLR within the jurisdiction.
00:09:53 --> 00:09:58: For height, you get the greater of the highest allowed
00:09:58 --> 00:10:03: building height within one mile of the site and within
00:10:03 --> 00:10:08: that jurisdiction, or three stories, whichever is higher.
00:10:08 --> 00:10:12: A couple important caveats for height.
00:10:13 --> 00:10:17: One is that you're not just looking for the tallest
00:10:17 --> 00:10:22: building within a mile, you're looking at the zoning code.
00:10:22 --> 00:10:28: And which zoning district within a mile allows the tallest
00:10:28 --> 00:10:28: height?
00:10:29 --> 00:10:34: Because there's going to be buildings that were built under
00:10:34 --> 00:10:38: prior zoning codes or that utilized some special rules or
00:10:39 --> 00:10:42: bonuses to to get to where they are in terms
00:10:42 --> 00:10:47: of height, and you're not permitted to utilize those as
00:10:47 --> 00:10:48: your your base.
00:10:49 --> 00:10:54: So again, you're looking at all the properties within a
00:10:54 --> 00:10:58: mile that are within your jurisdiction and you pick the
00:10:58 --> 00:11:03: zoning district that allows the tallest height and that becomes
00:11:03 --> 00:11:07: your property's height, administrative approval.
00:11:07 --> 00:11:12: So the the, the process of going through a public
00:11:12 --> 00:11:16: hearing is generally recognized to be one of the most
00:11:16 --> 00:11:21: difficult and expensive parts of any entitlement effort.
00:11:22 --> 00:11:28: There are also standards to get things like variances and
00:11:28 --> 00:11:34: special exceptions, site plan approval etcetera that are

difficult.

00:11:35 --> 00:11:39: Especially variances can be quite difficult to obtain.

00:11:40 --> 00:11:45: So by pre empting those processes and allowing a project

00:11:45 --> 00:11:52: to go straight through administrative approval, it significantly speeds up

00:11:52 --> 00:11:56: the process and likely saves you significant costs.

00:11:57 --> 00:12:01: It's important to note it to take note that you

00:12:01 --> 00:12:04: have to still comply with all of the other land

00:12:04 --> 00:12:10: development regulations, things like setbacks and open space for example,

00:12:10 --> 00:12:14: and and you still have to otherwise be consistent with

00:12:14 --> 00:12:19: the Local Comprehensive Plan except for on density, height, and

00:12:19 --> 00:12:20: use which are preempted.

00:12:22 --> 00:12:27: This is the the The Glitch Bill had another interesting

00:12:27 --> 00:12:34: provision that confirms where there are other existing local bonuses

00:12:34 --> 00:12:35: for things.

00:12:35 --> 00:12:39: For example, you might see these for building a LEED

00:12:39 --> 00:12:43: certified building, or adding a green roof to your project,

00:12:43 --> 00:12:47: or doing affordable housing at the local level.

00:12:47 --> 00:12:51: There might be incentives for getting more height or density

00:12:51 --> 00:12:53: or more floor area ratio.

00:12:54 --> 00:12:57: So the Glitch Bill says you can still get all

00:12:57 --> 00:13:03: of those local bonuses if you otherwise satisfy those requirements

00:13:03 --> 00:13:07: at the local level and they have to be administratively

00:13:07 --> 00:13:09: processed and approved.

00:13:09 --> 00:13:12: So you can't the the local jurisdiction can't add a

00:13:12 --> 00:13:15: public hearing requirement for that process.

00:13:17 --> 00:13:20: As it relates to parking, there's there's two interesting things

00:13:20 --> 00:13:21: from the Glitch bill.

00:13:22 --> 00:13:28: One is parking requirements are totally eliminated for projects that

00:13:28 --> 00:13:33: are located within Transit Oriented Developments or or TODS or

00:13:33 --> 00:13:34: Tod areas.

00:13:34 --> 00:13:37: Those are going to be defined at at the local

00:13:37 --> 00:13:38: level.

00:13:40 --> 00:13:45: Parking requirements are reduced for projects by 20% for projects

00:13:45 --> 00:13:51: within 1/2 mile of a major transportation hub, and that's

00:13:51 --> 00:13:54: defined in the Glitch bill itself.

00:13:55 --> 00:14:00: And parking for residents must also be available within 600

00:14:00 --> 00:14:00: feet.

00:14:02 --> 00:14:03: So let's go to the next slide.

00:14:05 --> 00:14:09: So the 2024 glitch bill, also known as SB328.

00:14:09 --> 00:14:12: As you can see, a lot of additional benefits came

00:14:12 --> 00:14:15: about from the glitch bill that Mark covered in the

00:14:15 --> 00:14:15: last slide.

00:14:16 --> 00:14:18: But here's a couple extra components.

00:14:18 --> 00:14:21: So the the Glitch bill will become law upon receiving

00:14:21 --> 00:14:22: the Governor's signature.

00:14:22 --> 00:14:26: A little fun fact, the first iteration of the glitch

00:14:26 --> 00:14:30: bill, SB-102, was signed into law this time last year

00:14:30 --> 00:14:31: on March 27th.

00:14:32 --> 00:14:36: So a lot of the Glitch bill provides additional clarity

00:14:36 --> 00:14:40: and benefits to the Live Local Act which are mostly

00:14:40 --> 00:14:45: favorable to the development community, one of which being the

00:14:45 --> 00:14:45: IT.

00:14:46 --> 00:14:49: The Live Local Act now protects single family developments as

00:14:49 --> 00:14:50: Mark mentioned.

00:14:51 --> 00:14:54: This is it with developments with 25 or more single

00:14:55 --> 00:14:58: family residents and it limits the height of the live

00:14:59 --> 00:15:03: Local project to 150% of the tallest adjacent building or

00:15:03 --> 00:15:06: three stories, whichever is greater.

00:15:06 --> 00:15:09: And it defines adjacent to be a budding on one

00:15:09 --> 00:15:11: or more property property lines.

00:15:12 --> 00:15:15: So for instance, if the adjacent building is 3 stories

00:15:16 --> 00:15:17: allowed, you can build 4 1/2.

00:15:18 --> 00:15:20: Again, if it's two, you can build 3 stories.

00:15:21 --> 00:15:25: So one aspect of the glitch or of the initial

00:15:25 --> 00:15:29: live local act that was undetermined was whether or not

00:15:29 --> 00:15:34: you could have condos as part of the multifamily development.

00:15:34 --> 00:15:37: So this clarifies that the market rate units may be

00:15:37 --> 00:15:41: for rent or for sale, but the affordable units must

00:15:41 --> 00:15:42: still be for rent only.

00:15:43 --> 00:15:48: And this clarifies that the live local projects are conforming,

00:15:48 --> 00:15:53: so projects will be considered conforming uses after the affordability

00:15:53 --> 00:15:54: period ends.

00:15:54 --> 00:15:57: And Mark can talk a little bit more about that.

00:15:58 --> 00:16:04: Yeah, so under the original live local act the the

00:16:04 --> 00:16:09: ACT was set to sunset or go away after a

00:16:09 --> 00:16:10: 10 year.

00:16:11 --> 00:16:15: And there was a open question as to if you

00:16:15 --> 00:16:18: built a a project during that.

00:16:18 --> 00:16:22: Where the live local was in effect and then the

00:16:22 --> 00:16:23: law goes away.

00:16:24 --> 00:16:31: How would your project be considered non conforming under the

00:16:31 --> 00:16:36: local zoning code such that you would be subject to

00:16:36 --> 00:16:40: the non conforming regulations?

00:16:40 --> 00:16:45: Often times local jurisdictions will have rules saying that if

00:16:45 --> 00:16:49: you have a non conforming building that is affected by

00:16:49 --> 00:16:53: a casualty then you have to follow an entirely different

00:16:53 --> 00:16:56: set of rules than conforming projects.

00:16:56 --> 00:17:00: So this this made a lot of people nervous including

00:17:00 --> 00:17:02: developers and lenders.

00:17:02 --> 00:17:07: So that this provides certainty that if you build using

00:17:07 --> 00:17:10: this law, even if if this law goes away, you

00:17:10 --> 00:17:12: will be considered conforming.

00:17:14 --> 00:17:15: Thank you, Mark.

00:17:16 --> 00:17:21: So the bill also provides that implementation policies, so guidelines,

00:17:21 --> 00:17:25: ordinances etcetera for live local projects must be added to

00:17:25 --> 00:17:27: the local government websites.

00:17:28 --> 00:17:31: And as we kind of already covered the ad valorem

00:17:31 --> 00:17:34: exemptions, they were modified in the glitch bill.

00:17:34 --> 00:17:37: So it updates the valuation methodology and revises some of

00:17:37 --> 00:17:39: the criteria for exemptions.

00:17:40 --> 00:17:44: It was previously unclear whether or not common areas and

00:17:44 --> 00:17:48: a proportionate amount of the land that multi family projects

00:17:48 --> 00:17:51: are on would qualify for the ad valorem exemption.

00:17:52 --> 00:17:55: And this makes certain that not only is the actual

00:17:55 --> 00:17:59: square footage of the unit that's affordable provided for the

00:17:59 --> 00:18:02: exemption, but a commensurate space of the common area and

00:18:02 --> 00:18:05: land value is included in that as well.

00:18:09 --> 00:18:12: So, all right, let's let's turn to the real world.

00:18:14 --> 00:18:19: So think about all of these different jurisdictions within the

00:18:19 --> 00:18:24: state that have received this mandate from the state legislature

00:18:24 --> 00:18:28: and governor to basically change the way that they have

00:18:28 --> 00:18:31: been doing land use and zoning.

00:18:32 --> 00:18:35: It's it's not surprising that there are quite a few

00:18:36 --> 00:18:40: differing interpretations from 1 jurisdiction to another.

00:18:41 --> 00:18:45: So it's critical that you check for implementation guidance from

00:18:46 --> 00:18:48: the each of these local governments.

00:18:49 --> 00:18:56: Many of them have published either policies, memos, interpretations, or

00:18:56 --> 00:19:03: actually have adopted ordinances governing how live local projects will

00:19:03 --> 00:19:05: work within their cities.

00:19:06 --> 00:19:13: So also many jurisdictions have or most jurisdictions have posted

00:19:13 --> 00:19:20: available county and municipal owned properties that are eligible for

00:19:21 --> 00:19:23: live local development.

00:19:23 --> 00:19:27: So you can actually go on to your your county

00:19:27 --> 00:19:31: or your city website and you should be able to

00:19:31 --> 00:19:35: find a listing of properties that that you can develop

00:19:35 --> 00:19:40: using the live local act and that's that's designed to

00:19:40 --> 00:19:43: really use land that is owned by you know, the

00:19:44 --> 00:19:48: the public local governments to to be able to develop

00:19:48 --> 00:19:50: as affordable housing.

00:19:50 --> 00:19:54: So there's usually processes by which you can submit proposals

00:19:55 --> 00:19:58: to develop on county or city owned land.

00:20:00 --> 00:20:04: The shameless plug definitely work with your land use lawyer and your consultants.

00:20:04 --> 00:20:05:

00:20:05 --> 00:20:08: There's a lot of stuff in here that is pretty

00:20:08 --> 00:20:09: tricky and nuanced.

00:20:10 --> 00:20:13: So don't try this stuff on your own, you know

00:20:13 --> 00:20:17: you're you're also going to want to make sure you're

00:20:17 --> 00:20:22: you're involving your design professionals as we'll see I think

00:20:22 --> 00:20:26: next slide understanding exactly what can be done on any

00:20:26 --> 00:20:27: given property.

00:20:28 --> 00:20:33: It is requires some design input, so definitely bring them

00:20:33 --> 00:20:35: into the fold as well.

00:20:37 --> 00:20:41: Communicate with staff and the local administration.

00:20:41 --> 00:20:45: This is probably obvious for most of you, but for

00:20:45 --> 00:20:47: those of you who are newer to the land use

00:20:47 --> 00:20:51: world, your your best friend will often be the the

00:20:51 --> 00:20:53: planning staff that you're working with.

00:20:53 --> 00:20:57: They're they're critical to getting them on your side to

00:20:57 --> 00:21:01: kind of help tell the story of your project and

00:21:01 --> 00:21:04: why it's a good thing for the community.

00:21:05 --> 00:21:07: So work closely with them.

00:21:07 --> 00:21:12: One thing to be cautious about is that for those
00:21:12 --> 00:21:18: jurisdictions that are not in favor of affordable housing or
00:21:18 --> 00:21:24: more development generally they they may very well try to
00:21:24 --> 00:21:27: make things difficult for you.
00:21:28 --> 00:21:31: And we are seeing this play out in in real
00:21:31 --> 00:21:36: time the the various methods that are being employed by
00:21:36 --> 00:21:42: local governments that do not want these projects within their
00:21:42 --> 00:21:43: jurisdiction.
00:21:44 --> 00:21:48: So that that's going to continue to evolve for some
00:21:48 --> 00:21:52: time and likely play out in a number of lawsuits
00:21:52 --> 00:21:54: throughout the state.
00:21:57 --> 00:22:01: So we have a an example property and and really
00:22:01 --> 00:22:04: what we want to show you is that you know
00:22:04 --> 00:22:08: you're going to, you're going to get probably more and
00:22:08 --> 00:22:12: more of listings that are are are showing what you
00:22:12 --> 00:22:14: can do using the live local act.
00:22:15 --> 00:22:18: And some of them might do a pretty good job
00:22:18 --> 00:22:23: of explaining the rules are others may have things that
00:22:23 --> 00:22:28: are both inaccurate or or maybe just kind of puffing.
00:22:29 --> 00:22:33: And so it's really important to be able to sort
00:22:33 --> 00:22:35: through what what's real, what's not.
00:22:36 --> 00:22:39: So we just took a look at a listing that
00:22:39 --> 00:22:42: that came through to us and so this, this is
00:22:42 --> 00:22:46: a property in Little Havana and you know it's it's
00:22:46 --> 00:22:49: split zoned it, you're probably going to be able to
00:22:49 --> 00:22:53: get some pretty significant height because it's it is pretty
00:22:54 --> 00:22:56: close to Brickell and downtown.
00:22:57 --> 00:23:02: The the density again 1000 units per acre in the
00:23:03 --> 00:23:07: city of Miami, this is a .69 acre property.
00:23:08 --> 00:23:14: So in theory, you will be permitted a maximum of
00:23:14 --> 00:23:16: 690 dwelling units.
00:23:18 --> 00:23:23: That is a massive upgrade from the permitted density on
00:23:23 --> 00:23:25: the property currently.
00:23:26 --> 00:23:29: But this is probably the most important point here.
00:23:30 --> 00:23:34: That does not mean that you're going to be able
00:23:34 --> 00:23:38: to build 690 units on this property.
00:23:38 --> 00:23:43: Remember you have to continue to comply with all of
00:23:43 --> 00:23:48: the other land development regulations that that apply for
00:23:48 --> 00:23:54: multi
00:23:48 --> 00:23:54: family development and things like lot coverage setbacks
00:23:54 --> 00:23:59: parking with
00:23:54 --> 00:23:59: certain tweaks these these things are going to be significant

00:23:59 --> 00:24:05: and when you actually start working with a design professional

00:24:05 --> 00:24:09: it becomes clear that that its density and height are

00:24:09 --> 00:24:13: just not going to be the things that limit you

00:24:13 --> 00:24:13: it.

00:24:14 --> 00:24:17: It will often be parking and so you know at

00:24:17 --> 00:24:22: 1.5 spaces per unit plus one guest space per 10

00:24:22 --> 00:24:26: units, even assuming you you're able to get a a

00:24:26 --> 00:24:30: 20% reduction that is you know it's it's going to

00:24:30 --> 00:24:35: be a significant amount of levels of parking that you're

00:24:36 --> 00:24:39: going to have to build to to be able to

00:24:39 --> 00:24:44: to reach anywhere near the density that you're permitted.

00:24:45 --> 00:24:49: So just one other note in in the city of

00:24:49 --> 00:24:54: Miami T4 and T5 are not limited by FLR floor

00:24:54 --> 00:24:55: lot ratio.

00:24:56 --> 00:25:00: So there's there's no restriction there T6 you start to

00:25:00 --> 00:25:02: see FLR come into place.

00:25:03 --> 00:25:07: So it it, it just requires you to really take

00:25:07 --> 00:25:11: a hard look at how all these things come together

00:25:11 --> 00:25:15: and don't don't believe the the first thing that you

00:25:15 --> 00:25:19: hear about Max density being the number that you're going

00:25:19 --> 00:25:21: to be able to obtain.

00:25:23 --> 00:25:27: And so with that we'd like to open it up

00:25:27 --> 00:25:28: to this group.

00:25:28 --> 00:25:31: I know we've got some questions come through in the

00:25:31 --> 00:25:33: chat, so maybe we'll start with those.

00:25:39 --> 00:25:39: All right.

00:25:39 --> 00:25:43: So what about height in Puds within a mile that's

00:25:43 --> 00:25:44: that's a good question.

00:25:45 --> 00:25:48: I think that that's going to be one that is

00:25:48 --> 00:25:51: going to be jurisdiction specific.

00:25:51 --> 00:25:55: There are I think arguments to be made on on

00:25:55 --> 00:26:00: both sides there and you know I I think that

00:26:00 --> 00:26:06: you might see a jurisdictions argue that things like special

00:26:06 --> 00:26:11: area plans and PU DS are and for everybody that's

00:26:11 --> 00:26:18: planned unit developments, they're kind of like mini zoning

00:26:18 --> 00:26:22: districts.

00:26:18 --> 00:26:22: They have their own rules those you can't borrow from

00:26:22 --> 00:26:26: those because they're really their own thing which you know

00:26:26 --> 00:26:29: in some some ways makes sense but there are counter

00:26:30 --> 00:26:33: arguments and so that that'll be determined.

00:26:33 --> 00:26:37: I think on a case by case basis how does

00:26:37 --> 00:26:42: Miami-Dade County and the city of Miami define Tod that

00:26:42 --> 00:26:45: is it's a good question.

00:26:45 --> 00:26:48: We can definitely talk about that offline.

00:26:48 --> 00:26:51: It's it's a little bit if we're going to talk

00:26:51 --> 00:26:56: about specific definitions I'd I'd prefer to have it in

00:26:56 --> 00:26:59: front of me and bet better than going off of

00:26:59 --> 00:27:04: pure memory what are the eligible TO DS in Miami-Dade,

00:27:04 --> 00:27:07: is this similar to RTZ parking restrictions.

00:27:08 --> 00:27:12: Yeah, so I mean generally speaking in in Miami-Dade your

00:27:12 --> 00:27:16: your transit oriented developments are are going to be along

00:27:16 --> 00:27:18: the the smart plan corridors.

00:27:19 --> 00:27:23: And so again there is, there is some nuance here

00:27:23 --> 00:27:27: just be careful and and really do your research on

00:27:27 --> 00:27:30: exactly whether you fall within that.

00:27:31 --> 00:27:37: But but properties proximal to metro rail stations, you know

00:27:37 --> 00:27:43: that that's that's where you're going to start seeing some

00:27:43 --> 00:27:49: of those traditional Tod developments that have popped up

00:27:49 --> 00:27:54: agency

00:27:49 --> 00:27:54: and HUD and many other lenders won't underwrite the 75%

00:27:54 --> 00:28:00: tax exemption for the missing middle that only requires 3

00:28:00 --> 00:28:05: years compliance for 71 units at 120% AMI minimum.

00:28:05 --> 00:28:12: And this is, this is a really good point by

00:28:12 --> 00:28:14: Adam Lipkin.

00:28:15 --> 00:28:17: I wonder if is there a way that we can

00:28:17 --> 00:28:20: get Adam to tell us a little bit more about

00:28:20 --> 00:28:20: this?

00:28:22 --> 00:28:24: Do we have the ability to allow participants?

00:28:25 --> 00:28:25: You got me, OK.

00:28:25 --> 00:28:26: Oh yeah, great.

00:28:27 --> 00:28:27: Hey, Mark.

00:28:29 --> 00:28:29: Yeah.

00:28:29 --> 00:28:32: So specifically, a lot of folks have been looking to

00:28:32 --> 00:28:35: take advantage of the tax exemption and the 120 AMI

00:28:35 --> 00:28:37: is certainly the easier 1 to get.

00:28:38 --> 00:28:40: You know what we're seeing in a lot of cases

00:28:40 --> 00:28:43: folks that have built, they've now leased up their properties,

00:28:43 --> 00:28:46: they've done the verification that they have the sufficient

00:28:46 --> 00:28:49: minimum

00:28:46 --> 00:28:49: number of units they get the market study, they could

00:28:49 --> 00:28:52: show that they're 90% of Fair market value and and

00:28:52 --> 00:28:54: they applied for the, they applied for the tax exemption

00:28:54 --> 00:28:56: just this recent session.

00:28:56 --> 00:28:59: And the challenge is I'm a lender and so we're

00:28:59 --> 00:29:02: just kind of seeing this live and and most lenders
00:29:02 --> 00:29:06: typically you'll see like a like a local agreement.
00:29:06 --> 00:29:09: You know typically you'll see you know somebody's building,
they'll
00:29:09 --> 00:29:13: have an agreement with municipality, it could be maybe 10-
15
00:29:13 --> 00:29:16: years and that is typically something you could underwrite
too.
00:29:16 --> 00:29:20: And the challenge that we're finding, this isn't just FHA
00:29:20 --> 00:29:23: and this is Freddie and Fannie, but I'm hearing this
00:29:23 --> 00:29:26: from a lot of lenders that because just that 71
00:29:26 --> 00:29:29: unit minimum one is so short term and because there's
00:29:29 --> 00:29:32: really such a, you know, lack of any kind of
00:29:32 --> 00:29:34: I guess certainty around it.
00:29:34 --> 00:29:36: You know there's there's things that can happen like with
00:29:36 --> 00:29:38: this glitch bill that what what seems to be the
00:29:38 --> 00:29:40: stance is that they can't underwrite to it.
00:29:41 --> 00:29:44: So what we're looking into and I'm curious if this
00:29:44 --> 00:29:47: is anything that you're familiar with, but could you apply
00:29:47 --> 00:29:50: for this, we'll call it, I guess it's more than
00:29:50 --> 00:29:53: one under the zoning benefit, but could you apply under
00:29:53 --> 00:29:56: the stipulation that you have 40% of your units under
00:29:56 --> 00:29:58: the 120 AMI and you agree to it for 30
00:29:58 --> 00:30:01: years And with that which comes an agreement, which is
00:30:01 --> 00:30:03: certainly something that you can underwrite to.
00:30:04 --> 00:30:07: And so I'm wondering if anybody that's initially thought to
00:30:07 --> 00:30:09: do the 71 units says, you know what, we're still
00:30:09 --> 00:30:12: comfortable income restricting 40% of our units to the 120
00:30:13 --> 00:30:15: AMI, you know, having the rest at free market.
00:30:15 --> 00:30:18: Could you go ahead and just simply apply for that,
00:30:18 --> 00:30:22: you know or maybe modify an application, say we're fine
00:30:22 --> 00:30:23: with agreeing to that 30 years.
00:30:25 --> 00:30:26: Kind of curious your thoughts on that.
00:30:27 --> 00:30:29: Is a is a live in the trenches scenario.
00:30:29 --> 00:30:31: So curious to hear if you guys have come across
00:30:32 --> 00:30:34: any any like reason that you prevent that from happening.
00:30:35 --> 00:30:39: I I think the problem is going to be that
00:30:39 --> 00:30:44: your, your, your and I've actually I've actually seen this
00:30:44 --> 00:30:46: issue play out as well.
00:30:46 --> 00:30:49: They a lot of lenders want certainty that you're going
00:30:49 --> 00:30:52: to get a tax exemption in perpetuity, right.
00:30:52 --> 00:30:55: Because if if if they're running their their model, they
00:30:55 --> 00:30:57: want to see that you're going to get this exemption

00:30:57 --> 00:30:58: year after year.

00:30:58 --> 00:31:04: But property appraisers don't work that way for for like

00:31:04 --> 00:31:09: any exemption, right, you you, you apply for it and

00:31:09 --> 00:31:13: you get it you know on a recurring basis.

00:31:13 --> 00:31:17: And so the IT part, part of it is I

00:31:17 --> 00:31:22: think going to be watching people use this successfully and

00:31:22 --> 00:31:27: getting some comfort that you know if if you check

00:31:27 --> 00:31:31: the boxes you will get the exemption and having the

00:31:31 --> 00:31:37: relevant language in your loan agreements that you know

00:31:37 --> 00:31:42: you're

00:31:42 --> 00:31:45: you're going to do everything that you need to do

00:31:45 --> 00:31:49: to obtain that exemption moving forward.

00:31:49 --> 00:31:53: Notwithstanding the fact that you're not, you know you don't

00:31:53 --> 00:31:53: have a recorded restriction that's going to require you to

00:31:53 --> 00:31:53: do that.

00:31:55 --> 00:31:59: I could also see lenders saying OK well I want

00:31:59 --> 00:32:04: you to have a a recorded restriction that requires that

00:32:04 --> 00:32:08: that that you apply for that exemption and that you

00:32:08 --> 00:32:12: meet the thresholds to be able to obtain it.

00:32:13 --> 00:32:16: But I this is not an entirely new problem.

00:32:18 --> 00:32:21: I've I've seen lenders ask these same questions for other

00:32:21 --> 00:32:23: affordable housing exemptions.

00:32:24 --> 00:32:27: So happy to hear if anybody else has has other

00:32:27 --> 00:32:31: thoughts, but I think I think it's it's likely going

00:32:31 --> 00:32:34: to work itself out once people start to get comfort

00:32:35 --> 00:32:37: with the fact that if you do what the act

00:32:37 --> 00:32:42: requires to get the exemption, you will receive the exemption.

00:32:43 --> 00:32:45: So I'll pause there.

00:32:45 --> 00:32:46: Let me, let me pull a bit back.

00:32:46 --> 00:32:47: So you get the exemption.

00:32:47 --> 00:32:48: That's not the issue.

00:32:49 --> 00:32:50: It's that letters won't underrate it.

00:32:51 --> 00:32:53: So what I'm saying is, is there, is there an

00:32:53 --> 00:32:56: ability like if you're doing just a residential project for

00:32:56 --> 00:32:59: you to just simply say, hey, I'm going to do

00:32:59 --> 00:33:01: this 40% under 120 AMI for 30 years.

00:33:01 --> 00:33:04: Could you simply just go for that, you know, angle

00:33:04 --> 00:33:08: and just, you know, get essentially like a covenant if

00:33:08 --> 00:33:08: you did that?

00:33:09 --> 00:33:12: Well, you you you're you're going to be, if you're,

00:33:12 --> 00:33:15: if you're going to use a live local, if, if

00:33:15 --> 00:33:18: you're going to use any of the development or zoning

00:33:18 --> 00:33:22: preemptions, you're going to have to have a covenant in
00:33:22 --> 00:33:26: place saying that you're committing to restrict 40% of your
00:33:26 --> 00:33:27: units, right.
00:33:27 --> 00:33:27: Yeah, I.
00:33:27 --> 00:33:31: Think I think Adam's question 'cause I'm I'm sort of
00:33:31 --> 00:33:34: mulling over a similar deal right now is if you're
00:33:34 --> 00:33:38: not taking advantage of the zoning exemptions, you're just sort
00:33:38 --> 00:33:41: of taking advantage of the tax benefits of a like
00:33:41 --> 00:33:43: new property under five years.
00:33:43 --> 00:33:46: It's over 70 units which has the rolling three-year renewal,
00:33:46 --> 00:33:50: but you're not actually developing a new deal that's taking
00:33:50 --> 00:33:53: advantage of the new of the zoning preemptions.
00:33:53 --> 00:33:57: Can you can you opt into the more restrictive 30
00:33:57 --> 00:34:01: year covenant despite not getting those benefits in order to
00:34:01 --> 00:34:02: satisfy your lender?
00:34:02 --> 00:34:03: You got, you got it, Michael.
00:34:03 --> 00:34:04: Exactly.
00:34:04 --> 00:34:08: So, yeah, so I think you, you you certainly there's
00:34:08 --> 00:34:12: nothing that would prevent you from opting in to that
00:34:13 --> 00:34:16: covenant but you're you're not going to get a pre
00:34:16 --> 00:34:22: agreement from the property appraiser that just because you
00:34:22 --> 00:34:25: have
00:34:22 --> 00:34:25: that covenant he's he or she is is going to
00:34:25 --> 00:34:27: issue the exemption, right.
00:34:28 --> 00:34:31: I mean I think it would having that covenant would
00:34:31 --> 00:34:35: would help your lender appreciate that you intend to get
00:34:35 --> 00:34:39: that exemption or apply for it and and you should
00:34:39 --> 00:34:41: obtain it on an annual basis for that.
00:34:42 --> 00:34:46: But there there's no, there's no bringing in that property
00:34:46 --> 00:34:49: appraiser to this process and having them sign off or
00:34:49 --> 00:34:53: you get an estoppel from them that that they will
00:34:53 --> 00:34:55: issue the exemption for that.
00:34:55 --> 00:34:56: Does that make sense?
00:35:01 --> 00:35:04: Any other clarification or follow up?
00:35:06 --> 00:35:07: I think that makes sense.
00:35:07 --> 00:35:11: So you're so you're you're able to enter into this
00:35:11 --> 00:35:16: restrictive covenant, it just doesn't earn you as it whether
00:35:16 --> 00:35:21: you took the, whether you took the zoning at vantages
00:35:21 --> 00:35:21: or not.
00:35:21 --> 00:35:25: That still doesn't guarantee that the property appraiser's
00:35:25 --> 00:35:28: going to
00:35:25 --> 00:35:28: on an annual basis give you the benefit it entering

00:35:28 --> 00:35:31: into that covenant early on is just going to give
00:35:31 --> 00:35:34: you those zoning preemptions and then your, to your point,
00:35:34 --> 00:35:36: anything can happen in the future.
00:35:37 --> 00:35:41: Yeah, it's it's really a technicality that's why I started
00:35:41 --> 00:35:45: with like it's about educating lenders on the process and
00:35:45 --> 00:35:48: and having them see a few of these get approved.
00:35:48 --> 00:35:51: I think they're going to start to get more comfortable
00:35:52 --> 00:35:54: that it's it's like a it's it's a pretty formulaic
00:35:55 --> 00:35:57: process it's there's not a lot of discretion.
00:35:58 --> 00:36:05: So that stuff just probably takes a little time, makes
00:36:05 --> 00:36:06: sense.
00:36:07 --> 00:36:11: Are are there any unintended consequences of the live local
00:36:11 --> 00:36:15: act that developers have encountered either positive or
negative in
00:36:15 --> 00:36:18: their efforts to develop affordable housing?
00:36:18 --> 00:36:21: AJ, good question that that seems like one I would,
00:36:21 --> 00:36:24: I would like to hear from the group on if
00:36:24 --> 00:36:28: there are any developer friends here that would like to
00:36:28 --> 00:36:31: share an answer to that I I would be open
00:36:31 --> 00:36:31: to that.
00:36:34 --> 00:36:35: I'll chime in on that one.
00:36:36 --> 00:36:37: Hi Laura Swanson.
00:36:38 --> 00:36:41: I'm hearing that the 30 year time frame, the 30
00:36:42 --> 00:36:44: year restriction is, is challenging.
00:36:45 --> 00:36:48: You know all other programs are 15 year and that
00:36:48 --> 00:36:51: 30 year is is something new and is giving giving
00:36:51 --> 00:36:56: some of us trouble underwriting these because it's just such
00:36:56 --> 00:36:57: a a long time frame.
00:36:57 --> 00:37:03: Is anyone else hearing that is that's one of our
00:37:03 --> 00:37:04: base?
00:37:04 --> 00:37:04: Problems.
00:37:08 --> 00:37:11: Yeah there's there's a number of programs at at the
00:37:11 --> 00:37:13: local level that will have shorter periods.
00:37:13 --> 00:37:17: So you know 30 years is a significant set aside
00:37:17 --> 00:37:22: I I hear that anything else that anybody wants to
00:37:22 --> 00:37:23: add there?
00:37:26 --> 00:37:30: I mean there there is some affordable housing and state
00:37:30 --> 00:37:34: funding applications that typically require a longer period.
00:37:34 --> 00:37:37: So for instance, one of the deals that we worked
00:37:37 --> 00:37:40: on required us to get a Lira for a period
00:37:40 --> 00:37:42: of 99 years which would have been perfect had we
00:37:43 --> 00:37:45: gone in for the live local prior to to us

00:37:45 --> 00:37:48: actually closing on the financing last year.

00:37:48 --> 00:37:51: So I mean regarding some of the state financing that

00:37:52 --> 00:37:55: we're seeing I guess some of some some of the

00:37:55 --> 00:37:59: qualifications there to get that state financing help I guess

00:37:59 --> 00:38:02: with with this new program in place.

00:38:02 --> 00:38:04: So that's kind of what we're seeing on the affordable

00:38:04 --> 00:38:04: world.

00:38:05 --> 00:38:07: But no, to your point you're right, some of the

00:38:07 --> 00:38:10: some of the local government subsidies that we also are

00:38:10 --> 00:38:12: looking into have shorter periods.

00:38:12 --> 00:38:12: So.

00:38:12 --> 00:38:15: So what did that look like and what what are

00:38:15 --> 00:38:18: the, I guess benefits or or consequences of going in

00:38:18 --> 00:38:21: for this exemption and kind of things that we're just

00:38:21 --> 00:38:23: working through and thinking through.

00:38:23 --> 00:38:25: So not sure if anything else or if anybody else

00:38:26 --> 00:38:27: has anything to add there.

00:38:27 --> 00:38:28: Just my \$0.02.

00:38:34 --> 00:38:34: Yeah, good.

00:38:34 --> 00:38:35: Good point, Eddie.

00:38:37 --> 00:38:38: All right.

00:38:38 --> 00:38:44: So Joe Corral asks, please further define what 25 plus

00:38:44 --> 00:38:49: homes mean under single family home protection.

00:38:49 --> 00:38:53: So this is 1 where you know if if you

00:38:53 --> 00:38:56: are abutting some single properties.

00:38:56 --> 00:38:59: I I would read this provision very closely.

00:38:59 --> 00:39:01: It's it's written.

00:39:03 --> 00:39:07: It's got some very unique definitions and it seems to

00:39:07 --> 00:39:11: be tailored to something very particular, and I I can

00:39:11 --> 00:39:12: read it quickly.

00:39:13 --> 00:39:17: If the proposed development is adjacent to, on two or

00:39:17 --> 00:39:22: more sides, a parcel zoned for single family residential use,

00:39:23 --> 00:39:28: which is within a single family residential development with at

00:39:28 --> 00:39:31: least 25 contiguous single family homes.

00:39:32 --> 00:39:36: The county or municipality may restrict the height of the

00:39:36 --> 00:39:41: proposed development to 150% of the tallest building on any

00:39:41 --> 00:39:46: property adjacent to the proposed development, the the

00:39:46 --> 00:39:51: highest currently

00:39:46 --> 00:39:51: allowed height for the property in the county's land

00:39:51 --> 00:39:54: development

00:39:51 --> 00:39:54: regulations, or three stories, whichever is higher.

00:39:57 --> 00:40:01: For the purposes of this paragraph, the term adjacent to

00:40:01 --> 00:40:05: means the prop those properties sharing more than one point
00:40:05 --> 00:40:10: of a property line, but does not include properties separated
00:40:10 --> 00:40:11: by a public Rd.
00:40:11 --> 00:40:15: So to me, when I read this, I read.
00:40:16 --> 00:40:21: A single family residential development that to me is like
00:40:21 --> 00:40:25: a it's it's different than what you see in Miami
00:40:25 --> 00:40:27: residential neighborhoods.
00:40:28 --> 00:40:32: I don't think that those qualify as a single family
00:40:32 --> 00:40:37: residential development that's that's how I read that that
would
00:40:37 --> 00:40:40: be more of like a think of like a Lennar
00:40:40 --> 00:40:45: gated community or or or something along those lines, but
00:40:45 --> 00:40:48: that's certainly open to interpretation.
00:40:50 --> 00:40:54: Again, I haven't seen this provision played out yet in
00:40:54 --> 00:40:58: the real world it's it's going to be interesting to
00:40:58 --> 00:40:58: watch.
00:41:02 --> 00:41:03: So unless there's any questions there.
00:41:03 --> 00:41:04: Thanks.
00:41:09 --> 00:41:10: Glad.
00:41:10 --> 00:41:10: Thank you.
00:41:10 --> 00:41:10: Appreciate it.
00:41:11 --> 00:41:12: OK, great.
00:41:12 --> 00:41:16: Rafael Botero, can you give a couple of examples of
00:41:16 --> 00:41:19: how municipalities are trying to prevent the use of these
00:41:19 --> 00:41:20: bills?
00:41:21 --> 00:41:28: Yes, so there's, there's a couple high profile ones.
00:41:29 --> 00:41:33: We're we're currently representing the Bow Harbor Shops
and I'm
00:41:33 --> 00:41:36: not going to get into the details of that case
00:41:36 --> 00:41:39: 'cause it is ongoing litigation.
00:41:39 --> 00:41:43: But just just think about how this, this is a
00:41:43 --> 00:41:48: new law and there's there's a lot that it covers
00:41:48 --> 00:41:54: and there are certain things like for example the definition
00:41:54 --> 00:41:59: of mixed-use that there is there is no definition in
00:41:59 --> 00:42:00: this law.
00:42:00 --> 00:42:05: How how do you interpret what mixed-use zoning property
is?
00:42:07 --> 00:42:10: You could do it very narrowly, you could do it
00:42:10 --> 00:42:10: broadly.
00:42:11 --> 00:42:14: How how do you, how do you define what properties
00:42:14 --> 00:42:15: are within a mile?
00:42:16 --> 00:42:19: Is it those properties that are like at least part
00:42:19 --> 00:42:22: of your property is, is within that one mile radius,

00:42:22 --> 00:42:26: Does your entire property have to be within that one
00:42:26 --> 00:42:26: mile radius?
00:42:27 --> 00:42:33: There's there's a lot of interpretation questions that can be
00:42:33 --> 00:42:38: utilized by jurisdictions that want you to stay away from
00:42:38 --> 00:42:41: developing in their town.
00:42:42 --> 00:42:45: And so you we're going to continue to see more
00:42:45 --> 00:42:49: and more of these interpretations and gation relating to them.
00:42:50 --> 00:42:54: So that's that's going to be something that we'll we'll
00:42:54 --> 00:42:57: watch for the next few years, All right.
00:42:57 --> 00:42:57: So.
00:42:58 --> 00:43:01: Hey, Mark, before you continue, do you think you can
00:43:01 --> 00:43:04: quickly touch on South Miami and their set of regulations
00:43:04 --> 00:43:06: that they passed, I think over the past week or
00:43:06 --> 00:43:06: two?
00:43:07 --> 00:43:10: Yeah and I have, I haven't done it, I haven't
00:43:10 --> 00:43:11: done a deep dive on those.
00:43:11 --> 00:43:16: We we don't have a client currently working there but
00:43:16 --> 00:43:20: I I I generally saw that they are they revised
00:43:20 --> 00:43:25: their definition of of transit oriented development to require
00:43:25 --> 00:43:28: some
00:43:25 --> 00:43:28: minimal parking threshold.
00:43:29 --> 00:43:35: Previously I think you could have done massive
00:43:35 --> 00:43:40: developments with
00:43:35 --> 00:43:40: 0 parking and so they they modified those requirements.
00:43:40 --> 00:43:44: I think it was like .75 parking spaces per unit
00:43:44 --> 00:43:48: and there there was, I think there was some other
00:43:48 --> 00:43:50: pieces of of what they did.
00:43:51 --> 00:43:55: But it to me at first glance it it it,
00:43:55 --> 00:43:59: it seemed like a kind of like a a a
00:43:59 --> 00:44:08: concern about unlimited development capacity and their
00:44:08 --> 00:44:10: ability to require
00:44:08 --> 00:44:10: some parking.
00:44:10 --> 00:44:13: But I don't know if anybody else is working in
00:44:13 --> 00:44:15: South Miami that wants to chime in.
00:44:22 --> 00:44:24: No, I guess, I guess do you think this is
00:44:24 --> 00:44:28: gonna be a recurring theme with with cities and municipalities
00:44:28 --> 00:44:32: throughout throughout the state I guess with regards to their
00:44:32 --> 00:44:36: own sort of code and legislation in place tackling live
00:44:36 --> 00:44:36: local?
00:44:37 --> 00:44:39: Yeah, I, yeah, I do.
00:44:39 --> 00:44:41: And I I think there's going to be, there's going
00:44:41 --> 00:44:45: to be jurisdictions that do it responsibly and appropriately and
00:44:45 --> 00:44:48: then there's going to be jurisdictions that do it kind

00:44:48 --> 00:44:51: of haphazardly and and quickly in a way that likely

00:44:51 --> 00:44:53: is violative of the law.

00:44:54 --> 00:44:58: I think it's it's pretty clear that you can't create

00:44:58 --> 00:45:01: a whole new set of regulations just for live local

00:45:01 --> 00:45:01: projects.

00:45:02 --> 00:45:05: The that's the whole point of the preemption is that

00:45:05 --> 00:45:08: they're just supposed to have to comply with the standard

00:45:08 --> 00:45:10: multi family regulation.

00:45:10 --> 00:45:12: So if if a jurisdiction tax on you know they

00:45:12 --> 00:45:15: they let's say somebody adopts a here's how the live

00:45:15 --> 00:45:18: local projects in our jurisdiction are going to work they

00:45:18 --> 00:45:21: have to do you know all of these additional things

00:45:21 --> 00:45:24: is that other multifamily development doesn't have to do.

00:45:25 --> 00:45:27: I think that is preempted and you know I we

00:45:28 --> 00:45:31: would, we would certainly take a hard look at challenging

00:45:31 --> 00:45:33: something like that.

00:45:34 --> 00:45:36: How do you exactly believe that that is preempted?

00:45:37 --> 00:45:39: How do I exactly believe in?

00:45:40 --> 00:45:40: Which way what?

00:45:42 --> 00:45:43: So they what?

00:45:43 --> 00:45:45: Preempts it 'cause I'm dealing with it right now.

00:45:47 --> 00:45:47: Yeah.

00:45:47 --> 00:45:54: So the the, the administrative approval is required for

00:45:54 --> 00:46:02: qualifying

00:46:02 --> 00:46:04: projects that satisfy the land development regulations

00:46:04 --> 00:46:09: applicable to multi

00:46:09 --> 00:46:14: family properties.

00:46:14 --> 00:46:20: So if you if a local jurisdiction just creates a

00:46:20 --> 00:46:26: whole set of tailored, targeted restrictions at a live local

00:46:26 --> 00:46:29: project, then they're they're the live local project is not

00:46:29 --> 00:46:32: being afforded the benefit that the live local act provides.

00:46:32 --> 00:46:36: So it's yeah, I.

00:46:36 --> 00:46:39: But they are preempted from passing their own ordinance.

00:46:39 --> 00:46:43: A city can go and pass an ordinance addressing their

00:46:43 --> 00:46:46: interpretation of the live local law, and as far as

00:46:46 --> 00:46:50: I'm aware, there's nothing that preempts them from doing it.

00:46:50 --> 00:46:51: They would need to be sued to enforce live, local

00:46:51 --> 00:46:54: and you know and and the aspects of their ordinance

00:46:54 --> 00:46:55: that violate it.

00:46:55 --> 00:46:55: But there's nothing from preempting them from passing that

00:46:55 --> 00:46:55: ordinance

00:46:55 --> 00:46:55: to address it.

00:46:55 --> 00:46:56: Unless I'm missing something.

00:46:59 --> 00:46:59: Yeah.

00:46:59 --> 00:47:04: So I there's been responsible action by local governments passing

00:47:04 --> 00:47:07: ordinances that say like this is how the rules are

00:47:07 --> 00:47:09: going to work in our jurisdiction.

00:47:10 --> 00:47:13: And there's often, I mean sometimes there's no issue with

00:47:13 --> 00:47:17: that They're they're kind of just giving you the implementation

00:47:17 --> 00:47:17: guidance.

00:47:17 --> 00:47:22: In other instances I think it's it's a reaction to

00:47:22 --> 00:47:26: thwart or severely limit what you can do.

00:47:26 --> 00:47:30: And I think those instances again needs each one needs

00:47:30 --> 00:47:33: to be evaluated on a case by case basis but

00:47:33 --> 00:47:37: those instances get much closer to preempted action that I

00:47:37 --> 00:47:41: I would certainly as a as a lawyer that you

00:47:41 --> 00:47:44: know does this I I would take a look at

00:47:44 --> 00:47:47: whether they're subject to legal challenge.

00:47:47 --> 00:47:47: Yeah.

00:47:49 --> 00:47:50: Thank you.

00:47:54 --> 00:47:54: OK.

00:47:54 --> 00:48:00: So Spencer Preston, do the market rate and affordable units

00:48:00 --> 00:48:05: have to be the same caliber and finishes or do

00:48:05 --> 00:48:09: they have to be the same square foot sizes.

00:48:10 --> 00:48:15: So there's there's nothing in the live local act that

00:48:15 --> 00:48:19: talks about this question there.

00:48:19 --> 00:48:25: Some jurisdictions, you know cities, counties have rules in

00:48:25 --> 00:48:32: place

00:48:25 --> 00:48:32: where you know the these requirements, we'll call them

00:48:32 --> 00:48:35: equivalency

00:48:32 --> 00:48:35: requirements are already in place.

00:48:36 --> 00:48:40: And then there's other jurisdictions that are kind of

00:48:40 --> 00:48:44: responding

00:48:40 --> 00:48:44: to the live local act and and you know trying

00:48:44 --> 00:48:45: to enforce new ones.

00:48:46 --> 00:48:49: And so this kind of ties back into our our

00:48:50 --> 00:48:54: prior question, it's it's going to need to be evaluated

00:48:54 --> 00:48:57: on a on a case by case basis as to

00:48:57 --> 00:49:02: whether that's something that is generally applicable to multi

00:49:02 --> 00:49:06: family

00:49:02 --> 00:49:06: or if it's if it's targeted to a live local

00:49:06 --> 00:49:10: project in which case I believe that that would not

00:49:10 --> 00:49:11: be permitted.

00:49:12 --> 00:49:16: So again those are going to probably be the subject

00:49:16 --> 00:49:19: of some disputes in the years to come.

00:49:21 --> 00:49:25: CB set back in code requirements are based on your

00:49:25 --> 00:49:28: current zoning or the highest applicable.

00:49:30 --> 00:49:34: That is a question of interpretation.

00:49:35 --> 00:49:38: The the I I think I know what you're getting

00:49:38 --> 00:49:42: at that the live local act just says multifamily, you

00:49:42 --> 00:49:45: have to comply with the multifamily regulations.

00:49:47 --> 00:49:51: Often times there are different multi family regulations.

00:49:52 --> 00:49:54: So which which ones get applied?

00:49:54 --> 00:49:56: Is it the ones that the developer picks?

00:49:56 --> 00:49:58: Is it the one that the city picks?

00:49:58 --> 00:50:03: Is it the one where the property is open to

00:50:03 --> 00:50:05: interpretation?

00:50:08 --> 00:50:13: Pedia Che just wrote Qualify Any anybody want to jump

00:50:14 --> 00:50:18: in and ask what what we're thinking here?

00:50:23 --> 00:50:25: I think let's just move on to the next.

00:50:25 --> 00:50:25: Yeah.

00:50:26 --> 00:50:32: So Nick Nicholas asks do you get 100% tax exemption

00:50:32 --> 00:50:38: if you implement 120% AMI on 100% of your units

00:50:38 --> 00:50:40: rather than 40?

00:50:42 --> 00:50:47: No, you you would get in Harrison, feel free to

00:50:47 --> 00:50:51: jump in here, but I think you would get an

00:50:52 --> 00:50:57: 80% tax exemption because you're within that 80 to 120%

00:50:57 --> 00:50:58: category.

00:50:59 --> 00:51:03: So 100% of your units, if they're set aside at

00:51:03 --> 00:51:07: that threshold, would get 80% exemption.

00:51:08 --> 00:51:08: 70.

00:51:08 --> 00:51:13: 5% sorry, sorry Yeah excuse me 75% please confirm

00:51:14 --> 00:51:19: whether

00:51:14 --> 00:51:19: public and retail Zoned Properties are excluded from Live

00:51:21 --> 00:51:25: Local.

00:51:21 --> 00:51:25: I don't know if public and retail is like a

00:51:25 --> 00:51:30: defined zoning district in in your where you're talking about,

00:51:30 --> 00:51:35: but retail would would generally fall with commercial under

00:51:35 --> 00:51:37: most

00:51:35 --> 00:51:37: reasonable interpretation.

00:51:37 --> 00:51:43: So retail zoning would be permitted to utilize live local

00:51:43 --> 00:51:47: act after the three-year minimum.

00:51:47 --> 00:51:48: Is met for the tax exemption.

00:51:48 --> 00:51:50: What does the renewal.

00:51:50 --> 00:51:52: Look like after that?

00:51:52 --> 00:51:54: Is it annual or do you have to opt in

00:51:54 --> 00:51:56: for another three years?

00:51:56 --> 00:51:59: Yeah, I think it's, I think it's like rolling three-year
00:51:59 --> 00:51:59: periods.
00:52:00 --> 00:52:04: So take a look at that more closely, But I
00:52:04 --> 00:52:06: believe that's the case.
00:52:07 --> 00:52:07: Hey.
00:52:07 --> 00:52:10: So, so quickly Mark in the interest of time if
00:52:10 --> 00:52:13: you can address one more that would be great.
00:52:13 --> 00:52:16: And then if both you and Harrison can share your
00:52:16 --> 00:52:20: your contact information to address I guess any additional
00:52:20 --> 00:52:23: questions
00:52:20 --> 00:52:23: that that the group may have, I think that would
00:52:23 --> 00:52:25: be that would be great as well so.
00:52:26 --> 00:52:28: Just leave that out there you wanna?
00:52:29 --> 00:52:30: Perfect, Perfect.
00:52:30 --> 00:52:30: Yeah.
00:52:30 --> 00:52:32: So Mark, I mean if you want to address one
00:52:32 --> 00:52:34: more than I'll kind of give some some finishing remarks
00:52:34 --> 00:52:35: here.
00:52:35 --> 00:52:36: Sure.
00:52:37 --> 00:52:38: Let's see.
00:52:45 --> 00:52:47: And then I guess if you have any closing remarks
00:52:47 --> 00:52:47: too?
00:52:52 --> 00:52:56: Because there's a few more in here, I'll I'll just
00:52:56 --> 00:53:00: open it up for one more person who wants to
00:53:00 --> 00:53:04: jump in with a question we can answer it or
00:53:04 --> 00:53:04: comment.
00:53:06 --> 00:53:07: I'll have a very basic question.
00:53:08 --> 00:53:10: What's the best way to stay up to speed on
00:53:10 --> 00:53:12: all the changes coming out?
00:53:14 --> 00:53:16: Oh, that's a good question.
00:53:17 --> 00:53:20: Read the newspapers.
00:53:20 --> 00:53:22: No, I do.
00:53:22 --> 00:53:25: I do kind of a a a mailing list for
00:53:25 --> 00:53:26: friends and clients.
00:53:27 --> 00:53:31: So you know Harrison is is tracking everything throughout the
00:53:31 --> 00:53:34: state what you know what each jurisdiction is doing and
00:53:34 --> 00:53:37: we start we've started to kind of publish some of
00:53:37 --> 00:53:40: our our findings so you can reach out and we
00:53:40 --> 00:53:41: can include you on that.
00:53:42 --> 00:53:45: Otherwise it's just coming from a lot of different sources.
00:53:45 --> 00:53:47: So it's it's hard to answer if.
00:53:47 --> 00:53:50: I can if I can, Mark, just to jump in.

00:53:50 --> 00:53:53: So I serve on the board of the Florida Housing
00:53:53 --> 00:53:56: Coalition and we are rolling out.
00:53:56 --> 00:53:59: Once this gets approved by the governor and signed off,
00:53:59 --> 00:54:02: we're going to roll out an educational series.
00:54:02 --> 00:54:03: So take a.
00:54:03 --> 00:54:06: Look at the Florida Housing Coalition FHC.
00:54:07 --> 00:54:09: That's definitely going to be a great resource for everyone
00:54:10 --> 00:54:10: on the call.
00:54:12 --> 00:54:14: That's excellent, AJ Thank you for raising that.
00:54:16 --> 00:54:18: So that I think that's it.
00:54:18 --> 00:54:20: Thanks everybody for joining.
00:54:20 --> 00:54:22: Reach out if you want to talk in more detail.
00:54:23 --> 00:54:26: Liza, Eddie Mallory, thank you so much for hosting us.
00:54:28 --> 00:54:28: Thanks.
00:54:29 --> 00:54:30: Just a couple more things.
00:54:30 --> 00:54:33: So obviously First off, thank you Mark and Harrison for
00:54:33 --> 00:54:34: putting this together.
00:54:35 --> 00:54:38: We really appreciate, appreciate your efforts on putting
00:54:38 --> 00:54:40: all together in such a short amount of time.
00:54:41 --> 00:54:45: I think all of us, developers, owners, design professionals,
00:54:45 --> 00:54:47: everybody
00:54:47 --> 00:54:50: in this space is excited to see how this plays
00:54:50 --> 00:54:53: out over the next couple of months, years and and
00:54:53 --> 00:54:56: how it will change the real estate landscape.
00:54:56 --> 00:54:58: But before we get going, just wanted to reiterate that
00:54:59 --> 00:55:02: we do have that WhatsApp chat and we will be
00:55:02 --> 00:55:03: sending out a newsletter early next month with all upcoming
00:55:03 --> 00:55:06: events.
00:55:06 --> 00:55:10: For now if you guys would like to mark your
00:55:10 --> 00:55:13: calendars, we're planning on having another happy hour on
00:55:13 --> 00:55:16: 18th in Coral Gables location to be determined, but we
00:55:16 --> 00:55:18: will be sending out more information shortly.
00:55:18 --> 00:55:21: Thanks again everybody for attending.
00:55:21 --> 00:55:23: Reach out to Mallory, Liza or myself if you have
00:55:23 --> 00:55:25: more questions about the Uli, if you want to get
00:55:25 --> 00:55:26: more involved, if you have an idea for a presentation
00:55:26 --> 00:55:28: or event.
00:55:28 --> 00:55:30: As you all know, Mark and Harrison took the initiative
00:55:30 --> 00:55:32: to put this together themselves.
00:55:32 --> 00:55:32: So if you have any ideas, please reach out to
00:55:32 --> 00:55:32: us.

00:55:33 --> 00:55:34: Thanks again for everything guys.
00:55:34 --> 00:55:36: Have a great week and talk soon.
00:55:37 --> 00:55:37: Thank you.
00:55:38 --> 00:55:39: Thanks everybody.
00:55:39 --> 00:55:40: Bye.

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