

SB 102 / “Live Local Act”

- Targets middle-income developments
- 80% - 120% AMI
- New construction market-rate communities can apply and qualify for the program (with rent restrictions to follow)
- Path for automatic rezoning in qualifying zoning tracts (commercial, industrial, mixed-use residential) to the highest allowable density (some height restrictions)
- YIGBY (10% must be affordable)
- 75% - 100% tax abatement

What's the catch?

- Local municipality can opt-out
- Must check the Shimberg annual report to determine if a County / City has the option to opt-out
- Market-rent may be significantly below 80% or 120% AMI threshold
- The market may have a gap in middle market households and struggle to income qualify tenants
- Incredibly difficult to underwrite the abatement if not rezoning

How do I qualify if I didn't rezone with LLA?

- 71+ Units
- Rent & Income qualify at 80% or 120% AMI or 90% of Market Rent, **whichever is less**
- Submit a middle market certification application to FHFC.
- File an exemption application through the local property appraiser's office
- If rezoning through LLA there is a 30-year compliance period

Market Rent Study

- Must be completed by a certified general appraiser
- No published guidelines or standards
- No formal review process
- 90% of market rent conclusion must include mandatory fees & premiums

MARKET RENT COMPARISON TO AMI THRESHOLDS					
Bedroom	Bathroom	Monthly Rent	90% Market	80% AMI	120% AMI
0	1	\$1,450	\$1,305	\$1,146	\$1,719
0	1	\$1,462	\$1,316	\$1,146	\$1,719
0	1	\$1,502	\$1,352	\$1,146	\$1,719
1	1	\$1,600	\$1,440	\$1,228	\$1,842
1	1	\$1,641	\$1,477	\$1,228	\$1,842
1	1	\$1,640	\$1,476	\$1,228	\$1,842
1	1	\$1,607	\$1,446	\$1,228	\$1,842
1	1	\$1,633	\$1,470	\$1,228	\$1,842
1	1	\$1,645	\$1,481	\$1,228	\$1,842
1	1	\$1,607	\$1,446	\$1,228	\$1,842
1	1	\$1,626	\$1,464	\$1,228	\$1,842
2	1	\$2,050	\$1,845	\$1,474	\$2,211
2	2	\$2,110	\$1,899	\$1,474	\$2,211
3	2	\$2,650	\$2,385	\$1,702	\$2,553