

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [CS/CS/HB 247](#)

TITLE: Affordable Housing

SPONSOR(S): Conerly

COMPANION BILL: [CS/CS/CS/SB 184](#) (Gaetz)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Housing, Agriculture & Tourism](#)

15 Y, 2 N, As CS



[Intergovernmental Affairs](#)

16 Y, 1 N, As CS



[Commerce](#)

SUMMARY

Effect of the Bill:

The bill requires local governments to adopt an ordinance to allow accessory dwelling units (ADUs) by December 1, 2025, in any area zoned for single-family residential use. The bill provides that the ordinance applies prospectively to ADUs approved after the date the ordinance is adopted. The ordinance may regulate the permitting, construction, and use of an ADU, subject to certain exceptions. The bill clarifies that an owner of a property with an ADU may not be denied a homestead exemption on the basis of renting the ADU to another person, but that the ADU must be assessed separately according to its use.

Additionally, the bill provides that local governments may provide density bonus incentives to landowners who donate real estate for the purpose of assisting local governments in providing attainable housing to military families that are receiving the basic allowance for housing.

The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to assess the effectiveness of mezzanine finance to encourage the construction of owner-occupied affordable housing and the ability of tiny homes to help meet state affordable housing needs. The bill requires OPPAGA to report its conclusions by December 31, 2026, including recommendations for a model mezzanine finance program.

Fiscal or Economic Impact:

The bill has an indeterminate impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

Accessory Dwelling Units

The bill defines a primary dwelling unit as an existing or proposed single-family dwelling on the property where a proposed accessory dwelling unit (ADU) would be located. (Section [1](#).)

Additionally, the bill requires, rather than authorizes, local governments to adopt an ordinance to allow the construction of ADUs in any area zoned for single-family residential use. The bill requires the ordinance adopted by December 1, 2025 and provides that the ordinance applies prospectively to ADUs approved after the date the ordinance is adopted. The ordinance may regulate the permitting, construction, and use of an ADU, but may not do any of the following:

- Prohibit the renting or leasing of an ADU, except to prohibit the renting or leasing of an ADU approved after the effective date of the ordinance for a term of less than 1 month, notwithstanding the general preemption

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of local governments from enacting laws, ordinances, or regulations that would ban vacation rentals or restrict how often or for how long they can be rented.¹

- Require that the owner of a parcel on which an ADU is constructed reside in the primary dwelling unit.
- Increase parking requirements on any parcel that can accommodate an additional motor vehicle on a driveway without impeding access to the primary dwelling unit.
- Require replacement parking if a garage, carport, or covered parking structure is converted to create an ADU. (Section [1.](#))

The bill prohibits denying a [homestead exemption](#) to an owner of a property with an ADU, where the owner maintains permanent residence, solely due to the ADU being rented or able to be rented. If the owner rents the ADU, the property appraiser must assess the ADU separately from the homestead property and tax it based on its use. (Section [1.](#))

Density Bonus Incentives

The bill provides that local governments may provide density bonus incentives to landowners who donate real estate for the purpose of assisting local governments in providing affordable housing to military families that are receiving the basic allowance for housing. (Section [2.](#))

Affordable Housing Study

The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to assess the effectiveness of mezzanine finance, or second-position short-term debt, to encourage the construction of owner-occupied affordable housing and the ability of tiny homes to help meet state affordable housing needs. The bill requires OPPAGA to confer with the Florida Housing Finance Corporation and the University of Florida Shimberg Center for Housing Studies. OPPAGA will report its conclusions to the President of the Senate and the Speaker of the House of Representatives by December 31, 2026. The report must include recommendations for a model mezzanine finance program.

The effective date of the bill is July 1, 2025. (Section [4.](#))

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill has an indeterminate positive impact on extremely-low-income, very-low-income, low-income, and moderate-income persons. If more local governments allow for the construction of ADUs, and more ADUs are in fact constructed, this may lead to an increased supply of attainable housing options throughout Florida.

The bill also has an indeterminate positive impact on military families who receive the basic allowance for housing, but only to the extent that the local jurisdictions in which the military families live opt-in to providing the density bonus incentive under the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Affordable Housing in Florida

Housing is considered affordable when monthly rents or monthly mortgage payments, including taxes, insurance, and utilities, do not exceed 30 percent of a family's gross income.⁵ Over 2.4 million low-income Florida households

¹ [S. 509.032\(7\)\(b\), F.S.](#)

² Florida Housing Finance Corporation, Agency Analysis of 2025 House Bill 247, pgs. 2 and 4 (Feb. 14, 2025).

³ *Id.*, at pgs. 2 and 4.

⁴ *Id.*, at p. 3.

⁵ [S. 420.0004\(3\), F.S.](#)

pay more than 30% of their incomes towards housing.⁶ Over half of these households, or 1.3 million low-income households, spend more than 50% of their income towards housing costs.⁷ This makes it difficult for those households to save for retirement or emergencies and difficult to afford other necessities like food and childcare.⁸

Eligibility to participate in Florida's state and federally-funded housing programs is determined by area median income (AMI) or statewide median family income, which is published annually by the United States Department of Housing and Urban Development (HUD).⁹ In Florida, the current statewide AMI for a family of four is \$88,600 (as family size changes, the income range also varies):¹⁰

- Extremely-low-income – earning up to 30 percent AMI (at or below \$26,600);¹¹
- Very-low-income – earning from 30.01 to 50 percent AMI (\$26,601 to \$44,300);¹²
- Low-income – earning from 50.01 to 80 percent AMI (\$44,301 to \$70,900);¹³ and
- Moderate-income – earning from 80.01 to 120 percent of AMI (\$70,901 to \$106,320).¹⁴

As of 2024, Florida had only 24 affordable and available rental units for every 100 extremely low-income renters.¹⁵ In addition, there were little to no communities in Florida that could provide enough housing to support this group of renters, which is primarily made up of low-income workers, retirees, and people with disabilities.¹⁶

Accessory Dwelling Units

The Legislature has taken measures in recent years to address Florida's need for more affordable housing.¹⁷ One of those measures included encouraging the construction of ADUs in single-family residential areas to increase the availability of affordable rentals.

An ADU is an ancillary or secondary living unit that has a separate kitchen, bathroom, and sleeping area, existing either within the same structure, or on the same lot, as the primary dwelling unit.¹⁸ ADUs can go by many different names such as "carriage house," "mother-in-law suite," or "coach house," and are quite common throughout the United States.¹⁹

ADUs offer benefits to both individual homeowners and the wider communities where they exist.²⁰ For individuals, ADUs:

- Allow families to provide care to aging or disabled relatives, while still providing those relatives some independence.
- Provide young adults an affordable housing option as a first step after college.

⁶ Florida Housing Coalition, *2024 Home Matters Report*, p. 2. <https://flhousing.org/wp-content/uploads/2024/08/FHC-2024-Home-Matters-Report.pdf> (last visited Feb. 24, 2025).

⁷ *Id.*

⁸ *Id.*

⁹ See U.S. Dept. of Housing and Urban Development: Office of Policy Development and Research, *Income Limits*, https://www.huduser.gov/portal/datasets/il.html#documents_2024 (last visited Feb. 24, 2025).

¹⁰ U.S. Dept. of Housing and Urban Development: Office of Policy Development and Research, *FY 2024 State Income Limits: Florida*, https://www.huduser.gov/portal/datasets/il/il2024/2024summary.odn?inputname=STTLT*1299999999%2BFlorida&select_type=county&stname=Florida&statefp=12.0&year=2024 (last visited Feb. 24, 2025).

¹¹ *Id.* See also [s. 420.0004\(9\), F.S.](#)

¹² *Supra* note 10. See also [s. 420.0004\(17\), F.S.](#)

¹³ *Supra* note 10. See also [s. 420.0004\(11\), F.S.](#)

¹⁴ *Supra* note 10. See also [s. 420.0004\(12\), F.S.](#)

¹⁵ *Supra* note 6, at p. 2.

¹⁶ *Id.*

¹⁷ In 2023, the Legislature passed the Live Local Act, which represented a generational retooling of state housing policy in Florida. The Legislature made subsequent amendments to the Live Local Act in 2024. See chs. [2023-17](#) and [2024-188](#), Laws of Fla. See also Florida Housing Coalition, *Overview of the Live Local Act*, <https://www.floridahousing.org/live-local-act> (last visited Feb. 24, 2025).

¹⁸ [S. 163.31771\(2\)\(a\), F.S.](#)

¹⁹ City of Tallahassee: Growth Management Department, *Zoning Spotlight: Accessory Dwelling Units*, March 2024, p. 1. https://www.talgov.com/uploads/public/documents/growth/zoning_spot_231010.pdf (last visited Feb. 24, 2025).

²⁰ *Id.*

- May be a source of rental income to the homeowner.²¹

For the wider community, ADUs:

- Are a more affordable housing alternative compared to a single-family residence or apartment unit with costly neighborhood and amenity fees.
- Create diverse neighborhoods with a variety of residents of different ages and backgrounds.²²

Under current law, a local government in Florida is authorized – but not required – to adopt an ordinance that allows ADUs in any area zoned for single-family residential use.²³ An application for a permit to construct an ADU must be accompanied by an affidavit from the applicant in which the applicant attests that the unit will be rented at an affordable rate to extremely-low-income, very-low-income, low-income, or moderate-income persons.²⁴

Homestead Exemption

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person’s primary residence, with an exemption from taxes.²⁵ Second, the homestead provisions protect the homestead from forced sale by creditors.²⁶ Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.²⁷

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is deemed to establish homestead property. Homestead property is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.²⁸ An additional exemption applies to homestead property value between \$50,000 and \$75,000. This exemption is adjusted annually for inflation from the 2024 value of \$25,000 and does not apply to ad valorem taxes levied by school districts.

Any portion of the homestead property used for commercial purposes is excluded from the homestead.²⁹ Property rented for more than six months is presumed to be used for commercial purposes.³⁰

The homestead property tax exemption may be lost by a property owner that abandons homestead property. Failure to maintain a homestead property as a permanent residence may constitute abandonment under certain circumstances.³¹ Renting all or substantially all of a homestead property constitutes abandonment until the dwelling is physically occupied by the owner.³²

Density Bonus Incentives

A density bonus is a development incentive that allows developers to increase the maximum allowable development for a proposed project, as defined by a local zoning code, in exchange for the developer’s support of specified public policy goals.³³ Density bonus programs are a common planning tool at local, county, and state levels all over the United States, but vary greatly both in the kinds of bonuses offered and the policy goals the incentives are intended to address.³⁴

²¹ *Id.*
²² *Id.*
²³ [S. 163.31771\(3\), F.S.](#)
²⁴ [S. 163.31771\(4\), F.S.](#)
²⁵ [Art. VII, s. 6, Fla. Const.](#)
²⁶ [Art. X, s. 4\(a\), Fla. Const.](#)
²⁷ [Art. X, s. 4\(c\), Fla. Const.](#)
²⁸ [Art. VII, s. 6\(a\), Fla. Const.](#)
²⁹ [S. 196.012\(13\), F.S.](#)
³⁰ *Id.* See also R. 12D-7.013(5), F.A.C. (“Property used as a residence and also used by the owner as a place of business does not lose its homestead character. The two uses should be separated with that portion used as a residence being granted the exemption and the remainder being taxed.”)
³¹ See [ss. 196.031](#) and [193.155, F.S.](#)
³² [S. 196.061\(1\), F.S.](#)
³³ Planetizen, *What is a Density Bonus?* <https://www.planetizen.com/definition/density-bonuses> (last visited Feb. 24, 2025).
³⁴ *Id.*

In Florida, local governments have the inherent home rule authority³⁵ to provide density bonuses in exchange for the production of affordable housing units. Additionally, local governments that have adopted inclusionary housing ordinances are required to provide incentives to developers to offset the cost of the developer’s affordable housing contribution, which may include granting density or intensity bonuses.³⁶

A local government may also provide density bonus incentives to any landowner who voluntarily donates real property to the local government for the purpose of assisting the local government in providing affordable housing.³⁷ To receive a density bonus under this provision, the donated real property must:

- Be appropriate for use as affordable housing, as determined by the local government;³⁸ and
- Be subject to deed restrictions to ensure the property will be used for affordable housing.³⁹

The deed restrictions must also prohibit an affordable housing unit from being sold at a price that exceeds the threshold for housing that is affordable for low-income or moderate-income persons or to a buyer who is not eligible due to his or her income under chapter 420, F.S., Florida’s Housing statutes. The deed restriction may allow affordable housing units to be rented to extremely-low-income, very-low-income, low-income, or moderate-income persons.⁴⁰

In practice, an increase in density for a proposed development offers an economic incentive for developers to produce affordable housing.⁴¹ The allowance of full density allowed by local land use and zoning regulations, as well as additional approved units allowed by density bonuses, creates the opportunity for an affordable housing development to be financially feasible.⁴² The allowance of more density also incentivizes market-rate developers to produce affordable units.⁴³ The sale of more units or the leasing of more apartments offsets the lower sales price or rent payments for each affordable unit.⁴⁴

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	CS/SB 102	Busatta	Calatayud	The legislation that enacted the original Live Local Act in 2023.
2024	CS/CS/SB 328	Lopez, V.	Calatayud	The 2024 legislation that amended the Live Local Act.

³⁵ Home rule power refers to the ability of counties and municipalities to enact ordinances at the local level without prior state approval. Such ordinances, however, must not conflict with state or federal laws. In Florida, home rule language was proposed and subsequently adopted in the 1968 Constitutional revision. After several legal challenges, the Legislature adopted the Home Rule Powers Act in 1973, which ended challenges related to city and county home rule powers. See Florida League of Cities, *Understanding Florida’s Home Rule Power*, May 2011, <https://www.floridaleagueofcities.com/docs/default-source/Civic-Education/historyofhomerule.pdf?sfvrsn=2> (last visited Feb. 24, 2025).

³⁶ See ss. 125.01055(1), (2), and (4) and 166.04151(1), (2), and (4), F.S.

³⁷ S. 420.615(1), F.S.

³⁸ *Id.*

³⁹ S. 420.615(6), F.S.

⁴⁰ *Id.*

⁴¹ Florida Housing Coalition, *Affordable Housing Incentive Strategies: A Guidebook for Affordable Housing Advisory Committee Members and Local Government Staff*, Aug. 2021, p. 49, <https://www.flhousing.org/wp-content/uploads/2021/08/8-4-21-AHAC-Guide-UPDATE.pdf> (last visited Feb. 24, 2025).

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	15 Y, 2 N, As CS	3/11/2025	Curtin	Fletcher
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> Modified the definition of “accessory dwelling unit” to include certain manufactured homes. Removed the requirement for the Florida Housing Finance Corporation to establish a mezzanine finance model program. 			
Intergovernmental Affairs Subcommittee	16 Y, 1 N, As CS	4/9/2025	Darden	Burgess
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> Removed change to the definition of “accessory dwelling unit” to include certain manufactured homes. Defined “primary dwelling unit.” Provided a date by which an ordinance to allow ADUs must be adopted and allows local governments to regulate the permitting, construction, and use of ADUs, subject to certain exceptions. Required OPPAGA to study the effectiveness of mezzanine finance and the ability of tiny homes to meet state affordable housing needs. 			
Commerce Committee				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
