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## Apples and oranges: Florida passes a slew of pro-development laws, contrary to New York

Albany lawmakers say they will not sign off on a state budget without rent increase protections; Florida's Live Local Act bans local rent control



Gov. Ron DeSantis, Sen. Alexis Calatayud and Senate President Kathleen Passidomo (Getty)

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By Katherine Kallergis

As the New York State Legislature struggles to pass the state's budget, divided, in part, over how to handle key housing policies, the Florida Legislature has gone in the opposite direction.

Last month, Florida lawmakers wrapped up the 2024 session with the approval of a \$117.5 billion state budget and the passage of a handful of pro-development bills.

In the last two years, lawmakers in the Sunshine State have cracked down on [squatters](#), overridden tenant protections and passed a bill making it easier to [demolish coastal properties](#). They have also beefed up condo and homeowners association laws, by [criminalizing kickbacks](#) and the hiding of records.

A year ago, Gov. Ron DeSantis signed into law the Live Local Act, a landmark \$711 million housing bill that passed in the majority-Republican Florida Legislature with bipartisan support. Despite some opposition to certain aspects of the legislation, just six representatives in the House voted against it. Last month, the legislature [approved amendments](#) to the law that are awaiting the governor's signature.

New York and Florida have been connected for years, but the political landscapes are far removed.

New York developers, real estate brokers and lenders have increasingly flocked to Florida, lured by the lack of state income tax and pro-business politics. Much of the industry-friendly legislation that DeSantis has signed into law since he became governor in 2019 wouldn't fly in a state like New York.

In Albany, lawmakers passed another extension to keep the government open until Thursday. They've said they will not sign off on a deal without a proposal that would give tenants protections against rent increases above a certain rate. At stake for real estate developers and landlords is a key property tax break for multifamily new construction, and relief for struggling owners of rent regulated buildings.

In Florida, the changes in legislation haven't all been met with praise.

"It's not to say we're not without our problems," said Peter Dyga, president of the Associated Builders and Contractors Florida East Coast Chapter, who is a proponent of Live Local Act, changes in [insurance](#) legislation and other laws.

Insurance coverage has become harder and more expensive to secure in Florida. The condo safety laws that passed in 2022, following the Surfside condo collapse that killed 98 people, are forcing condo and townhouse associations to invest in their buildings and bolster their bank accounts, making it even more expensive to live in those communities. Some unit owners who can't afford increases in

HOA dues and special assessments to pay for repairs and soaring insurance premiums, have lost their homes or been forced to sell.

That's expected to get worse once deadlines to comply with the law go into effect.

**Restrictions** on foreign investment, particularly Chinese investment in real estate, have also met with some backlash, though that law **could be struck down**.

So what has helped much of the pro-industry legislation pass? By pairing language that's geared toward creating affordable housing with huge incentives, the legislature has voted for bills like the Live Local Act, led by Florida Senate President Kathleen Passidomo, Sen. Alexis Calatayud and other lawmakers.

## **Live Local: a case study**

In addition to setting aside hundreds of millions of dollars in funding, Live Local also creates density, height, floor-area-ratio, parking and tax incentives for developers that incorporate workforce housing in their projects. Local governments must administratively approve such developments, as long as they comply with local land development regulations. The law also eliminates the ability of local governments to enact rent control, something that was previously only allowed during a housing emergency.

The idea is that by giving developers the ability to add units, build taller buildings and fewer parking spaces, as well as other incentives, they can create workforce housing. Developers have shown up for the governor. The real estate industry spent **at least \$18 million** backing DeSantis' re-election campaign two years ago.

Applications for Live Local projects have trickled in, and more are expected once DeSantis signs the amendments into law. Whether they solve the housing crisis has yet to be seen. The law has largely been referred to as an affordable housing bill, but it's important to note that developers only have to build rental units that are set aside for

people earning up to 120 percent of the area median income. In Miami-Dade County, that comes out to just shy of \$90,000 for a one-person household.

Anthony de Yurre, a Bilzin Sumberg attorney who helped draft parts of the latest legislation, said Live Local is one tool that can help the affordability crisis. South Florida has become one of the most unaffordable markets in the country in recent years, in part due to the migration of wealthier residents from the Northeast and other parts of the country.

The surge in costs for construction, insurance, land and financing have made it harder for developers to build their projects. DeSantis and the legislature have catered to that.

Said de Yurre: “It’s very difficult to make the numbers work right now for construction.”