

May 13, 2022

MIAMI CORAL GABLES NORTHWESTERN DADE AVENTURA WEST BROWARD - SAWGRASS NORTHEAST BROWARD HOLLYWOOD JTHS-MIAMI - JUPITER

SENT VIA E-MAIL

Mayor Daniella Levine-Cava (<u>mayor@miamidade.gov</u>) 111 NW 1st Street, 29th Floor Miami, FL 33128

Miami-Dade Board of County Commissioners 111 NW 1st Street Miami, FL 33128

RE: CONCERNS WITH THE TENANTS' BILL OF RIGHTS

Dear Mayor Levine-Cava and Honorable Miami-Dade County Commissioners:

On behalf of our nearly 60,000 members, we write to you with concerns about the new Tenants' Bill of Rights, which was created on May 3, 2022. As you know the ordinance is effective as of today, May 13, 2022. Even though the final version of the Tenants' Bill of Rights¹ does not reflect the numerous suggestions that MIAMI REALTORS®' members made to the Board of County Commissioners, we share the same goal – promoting and furthering housing stability in Miami-Dade County (the "County"). Because of the hasty process, which could have been alleviated by a deferral, we still have grave concerns about the implementation of the Tenants' Bill of Rights, which are outlined here.

• Because the County has not complied with all of its obligations under the Tenants' Bill of Rights, it creates serious liability for landlords.

Because tenants can now sue landlords for alleged violations of the Tenants' Bill of Rights that have occurred or are about to occur, it opens landlords to significant liability. Of particular concern to our members right now is that the County's website,² which, to our knowledge, was launched sometime this week, does not comply with Sec. 17-166(2) or Sec. 17-169 of the Tenants' Bill of Rights. The Office of Housing Advocacy is supposed to: publish and disseminate information and educational materials; conduct trainings and outreach for tenants and landlords; develop resources for landlords and tenants to promote housing stability; publish a tenants' rights notice that can be downloaded or printed for distribution by landlords; and, create a website that includes downloadable forms approved by the Florida Bar in English, Spanish, and Creole. With the exception of a basic website, which is little more than a landing page, none of this has been done.

Both landlords and tenants are relying on the County to provide these resources. That includes our members. This certainly does not benefit tenants, especially because landlords either have no idea that

² Miami-Dade County Office of Housing Advocacy, <u>https://www.miamidade.gov/global/service.page?Mduid_service=ser1652192015243613</u> (last accessed May 12, 2022).

¹ Miami-Dade County Tenants' Bill of Rights, O-22-47, File No. 221055,

https://www.miamidade.gov/govaction/matter.asp?matter=221055&file=false&fileAnalysis=false&yearFolder=Y2022 (last accessed May 12, 2022).



this Tenants' Bill of Rights now exists or are navigating a vague and unclear ordinance that does not provide them guidance on how to properly comply with the same.

• There are no forms for landlords or tenants on the Office of Housing Advocacy's website.

We heard assurances during Commission Meetings that there would be resources for both tenants and landlords as a result of this Tenants' Bill of Rights. Sect. 17-169(3) requires that the Office of Housing Advocacy include downloadable forms approved by the Florida Bar on its website. Even though the ordinance is now effective, and landlords are required to comply with it or face lawsuits, these resources are not available.

• Because of how quickly the ordinance was passed, there is no plan for public education.

We have received dozens of calls and emails – from both our members and the general public – because MIAMI REALTORS®' Legal Update³ is the only resource on the internet about the ordinance requiring 60-day notices to terminate month-to-month tenancies and to raise the rent by more than 5%. We have already hosted two webinars, on April 13, 2022, and May 5, 2022, on the same. Aside from a signing ceremony, we have not seen a concerted effort to publicize this new ordinance.

Again, the lack of public education about the Tenants' Bill of Rights would not be as troublesome as it is, but for the private right of action. Landlords' failure to comply with something as simple as not providing a copy of the Tenants' Bill of Rights to a tenant, using the required form from the Office of Housing Advocacy that does not yet exist, can land them in court, liable for attorneys' fees, costs, and interest.

• We urge the County to push back the effective date of the Tenants' Bill of Rights.

By pushing back the effective date of the Tenants' Bill of Rights, it would give the County ample time to comply with the provisions of the ordinance that are its responsibility, and it would avoid unintended consequences.

We want to reiterate that MIAMI REALTORS® shares the goal of the Miami-Dade Board of County Commissioners in creating the Tenants' Bill of Rights – promoting and furthering housing stability in Miami-Dade County. Unfortunately, without additional amendments that afford the community ample opportunity to provide meaningful feedback, we are concerned about the unintended consequences that will run afoul of the intent of this legislation. As always, please do not hesitate to contact us. We and our leaders and professionals are available and can best be reached through either our Chief of Public Policy, Danielle Blake, or Chief Legal Counsel, Evian White De Leon, Esq. (contact info below).

Sincerely,

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usa -

Teresa King Kinney Chief Executive Officer

³ MIAMI Association of REALTORS®, Inc., "Legal Update: New Law in Miami-Dade County Requiring 60-day Notification Periods for Rent Increases & Termination of Month-to-Month Rentals," https://www.miamirealtors.com/2022/03/17/93636/.



MIAMI CORAL GABLES NORTHWESTERN DADE AVENTURA WEST BROWARD - SAWGRASS NORTHEAST BROWARD HOLLYWOOD JTHS-MIAMI - JUPITER

cc: <u>SENT VIA EMAIL</u>

Miami-Dade County, District 1 (<u>district1@miamidade.gov</u>)

- Miami-Dade County, District 2 (<u>district2@miamidade.gov</u>) Miami-Dade County, District 3 (<u>district3@miamidade.gov</u>)
- Miami-Dade County, District 4 (district4@miamidade.gov)
- Miami-Dade County, District 5 (district5@miamidade.gov)
- Miami-Dade County, District 6 (<u>district6@miamidade.gov</u>)
- Miami-Dade County, District 7 (district7@miamidade.gov)
- Miami-Dade County, District 8 (<u>district8@miamidade.gov</u>) Miami-Dade County, District 9 (<u>district9@miamidade.gov</u>)
- Miami-Dade County, District 9 (<u>district/@miamidade.gov</u>) Miami-Dade County, District 10 (district10@miamidade.gov)
- Miami-Dade County, District 10 (<u>district11@miamidade.gov</u>) Miami-Dade County, District 11 (<u>district11@miamidade.gov</u>)
- Miami-Dade County, District 12 (<u>district12@miamidade.gov</u>)
- Miami-Dade County, District 12 (district12@miamidade.gov)

Terrence A. Smith, Esq., County Attorney's Office (terrence.smith@miamidade.gov)

- Miami-Dade County Office of Housing Advocacy (housingadvocacy@miamidade.gov)
- Danielle Blake, Chief of Public Policy, MIAMI REALTORS®(danielle@miamire.com), 305.468.7017
- Ana Maria Rodriguez, Senior VP of Government Affairs, MIAMI REALTORS® (ana@miamire.com)

Evian White De Leon, Esq., Chief Legal Counsel, MIAMI REALTORS® (evian@miamire.com), 954.849.6016



May 2, 2022

Board of Miami-Dade County Commissioners 111 NW 1st Street, Suite 220 Miami, FL 33128

RE: Item 7D, Tenant's Bill of Rights

Dear Miami-Dade County Board of County Commissioners:

On Tuesday, May 3, 2022, Item 7D, an ordinance creating the Miami-Dade County Tenant's Bill of Rights (the "Tenant's Bill of Rights") will be heard on second reading. During the public hearing, we testified that, in its current form, the Tenant's Bill of Rights gives tenants and landlords the right to sue over any provision and would likely subject our REALTOR[®] members to even more vexatious and sham litigation than they are already defending. Although the Tenant's Bill of Rights has good intentions, this ordinance, in its current form, will likely harm the real estate economy and businesses in the long-term.

Unintended Consequences: Why the Right to Private Action Must be Removed

In 2009, the Board of County Commissioners added "source of income" as a protected class in housing discrimination, which was a much-needed step toward an equitable Miami-Dade County. However, the private cause of action that already existed under the Miami-Dade County Code (the "Code") has allowed a single plaintiff, a self-identified "fair housing tester and advocate," who does not even live here, to file at least ninety-two (92) lawsuits since then based on alleged source of income discrimination against REALTOR[®] members in Miami-Dade and Broward Counties (Broward added the protection in 2018). A new set of plaintiffs, all represented by the same attorney, has filed about twenty-four (24) cases in the past year. It is also important to note that, based on our research, not one of these cases has gone to trial. Attached is a spreadsheet of research on these cases.

The primary objective of these lawsuits is not to correct any presumed housing discrimination. It is to quickly extort settlement payouts from brokers and real estate agents. Some of the more egregious cases filed alleged that the real estate agent failed to respond to an email request, which had been flagged as spam. In another case, the plaintiff is alleging they were denied the use of a Housing Choice Voucher (commonly known as a "Section 8 voucher") for properties where the broker/agent did not represent the owner/landlord on the listing. There are also cases filed recently where the tenant, even if they had a voucher, would not be able to use the voucher at the properties they inquired about because the amount of the voucher was not enough to cover the advertised rent. According to feedback from our REALTOR[®] members, initial settlement offers from the testers' attorneys have increased from \$2,000 to \$5,000, to a range of \$30,000 to \$40,000.

Data from Florida REALTORS[®] 2021 Member Profile shows that, after taxes and expenses, the median net income for a real estate sales agent was \$18,400 and \$43,200 for brokers/broker associates. Hiring an



attorney at an hourly rate to defend alleged violations of a county ordinance is not possible for many of our REALTOR[®] members.

For this reason, we respectfully request that the Board remove Sec. 17-170 from the Tenant's Bill of Rights that creates a right of private action.

Other Concerns with the Tenant's Bill of Rights – and Solutions

Additionally, we have addressed some of the other concerns and potential solutions (outlined in red) with rationale (in blue) in the order of priority for our nearly 60,000 REALTOR[®] members:

1. Remove Sec. 17-170. "Enforcement by private persons"

In order to prevent another wave of vexatious and sham litigation, we recommend deleting Sec. 17-170 in its entirety and replacing it with the following:

Sec. 17-170. Enforcement

- (1) It is not the intent of this section to prevent private enforcement through a cause of action that already exists under Florida law when there is a landlord/tenant dispute. This section shall not be construed as creating an express or implied private cause of action.
- (2) Any landlord who willfully violates any provision of this section or fails to comply therewith shall be subject to fines in accordance with chapter 8CC and to any penalties or remedies provided in Sec. 17-168(1)-(5) and chapter 8CC, as applicable.

2. Remove "Deduct and Repair" Language (Sec. 17-167(2)(e)

Our REALTOR[®] members do not condone landlords who do not properly maintain their properties. However, our members strongly feel that tenants should not be making any repairs to properties in which they do not own. This is a serious liability, especially in multifamily housing. Moreover, as currently written, it has the potential for widespread fraud and abuse. We ask for the commission to remove the "deduct and repair" language outlined in Sec. 17-167(2)(e) of the Tenant's Bill of Rights, in its current form¹, until the County has a chance to review the current process, summarized below.

With the help of the Minimum Housing Enforcement Officer under Sec. 17-7², tenants are able to address any housing condition that does not meet the Code. Tenants can ask for an inspection under Sec. 17-10.³ The enforcement officer investigates and gives notice of violations with a timeframe to remedy to the landlord

¹ https://www.miamidade.gov/govaction/legistarfiles/Matters/Y2022/220904.pdf

² https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeId=PTIIICOOR_CH17HO_ARTIIMIDECOMIHOST_S17-7MIHOENOF

³ https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeId=PTIIICOOR_CH17HO_ARTIIMIDECOMIHOST_S17-10AUIN



under Sec. 17-11⁴ with due process instructions for a hearing. If the landlord fails to comply, the enforcement officer shall record a final order under Sec. 17-13⁵, which hinders future sales and financing. There are emergency powers granted under Sec. 17-16.⁶ Finally, there are minimum housing standards clearly listed under Sec. 17-23 through Sec. 17-30. We created the attached "Miami-Dade County Minimum Housing Standards" document attachment to better explain these existing rights.

3. Remove Sec. 17-167(2) "Additional Tenant Rights"

Remove 17-167(2)(f): (f) Take any adverse action against a tenant in retaliation for the tenant's use of the Tenant Information Helpline established in accordance with section 17-169 of this article, or any agency or entity to which they are referred pursuant to using the helpline. There will be a rebuttable presumption that an adverse action is retaliatory if it occurs within 60 days after a tenant utilizes the Tenant Information Helpline, and no other reasonable basis for the adverse action exists between the tenant utilizing the Tenant Information Helpline and the landlord's adverse action.

Rationale: Sec. 17-167(2) should be removed entirely because Florida Statute Section 83.64, "Retaliatory Conduct," already covers it.⁷ If it remains, this Section would cause confusion by significantly deviating from what is already in the Florida Landlord/Tenant Act. Moreover, it would likely mislead tenants to believe they are protected from any adverse action by calling the Helpline. The rebuttable presumption here that a landlord is retaliating against a tenant if they used the Helpline is also problematic because landlords have no way to know if the tenant called the Helpline or if it was relevant to their tenancy. Last, our office is receiving a flood of emails and calls from landlords and tenants asking for guidance on the new ordinances in Miami-Dade County. We want to make sure that the Helpline would also serve landlords so that they have a resource to make sure they are in compliance with any new ordinances, including the Tenants' Bill of Rights.

4. Amend Sec. 17-168. "Notice of Tenant's Rights"

Amend Sec. 17-168(2): (2) The tenant shall review, acknowledge, sign and date the tenant's rights notice. The tenant must return the tenant's rights notice to the landlord within 7 days of receipt and be provided with a signed copy for the tenant's records.

Rationale: It is unclear why the landlord must send the tenant a signed copy, when the tenant already signed it. It is already an official document in their possession. They can make a copy before sending it back to the landlord.

Amend. Sec. 17-168(6): Subsection (6) needs to be more specific.

⁶ https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeld=PTIIICOOR_CH17HO_ARTIIMIDECOMIHOST_S17-16POACEM ⁷ http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0000-0099/0083/Sections/0083.64.html

⁴ https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeId=PTIIICOOR_CH17HO_ARTIIMIDECOMIHOST_S17-11NOVI

⁵ https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeId=PTIIICOOR_CH17HO_ARTIIMIDECOMIHOST_S17-13REFIOR



Rationale: In the event that a tenant does not timely sign the tenant's rights notice, the landlord must document all attempts to get a signature from the tenant. How many times must a landlord, their agent or employees, attempt to get the tenant's signature? If the private right of action is not removed, this leads to an absurd outcome – tenants could sue landlords for not getting their own signature on the tenant's rights notice.

Conclusion

We thank the Commissioners who have taken the time to discuss these issues and potential solutions. We look forward to those ongoing discussions. As you all know, the South Florida real estate market has changed substantially over the past two years. There is not enough rental inventory to meet the current demand and high costs and regulatory issues discourage developers from building it. A competitive market will provide more choices for tenants and will force the "bad actors," whose actions our REALTOR[®] members do not condone, to provide better living conditions for all tenants in Miami-Dade County.

Sincerely,

Enrique Teran Avanti Way Realty 2022 Residential President MIAMI Association of REALTORS[®]



Wednesday, April 13, 2022

Miami-Dade Public Housing and Community Services Committee Miami-Dade County Commission 111 NW 1st Street, Suite 320 Miami, FL 33128

Dear Members of the Public Housing and Community Services Committee,

On Thursday, April 14, 2022, the Miami-Dade Public Housing and Community Services Committee will be hearing Item 1G1, an ordinance creating the Miami-Dade County Tenant's Bill of Rights (the "Tenant's Bill of Rights"). In its current form, the Tenant's Bill of Rights gives tenants and landlords the right to sue over any provision, and would likely subject our REALTOR[®] members to even more vexatious and sham litigation than they are already defending. Although the Tenant's Bill of Rights has good intentions, this ordinance will harm the real estate economy and businesses in the long-term.

An Example of Unintended Consequences

In 2009, the Board of County Commissioners added "source of income" as a protected class in housing discrimination, which was a much-needed step toward an equitable Miami-Dade County. However, the private cause of action that already existed under the Code allowed a single plaintiff, a self-identified "fair housing tester and advocate," who does not even live here, to file at least ninety-two (92) lawsuits since then based on alleged source of income discrimination against REALTOR[®] members in Miami-Dade and Broward Counties (Broward added the protection in 2018). A new set of plaintiffs has filed about twenty (25) cases in the past six months. It is also important to note that, based on our research, not one of these cases has gone to trial.

The primary objective of these lawsuits is not to correct any presumed housing discrimination. It is to quickly extort settlement payouts from brokers and real estate agents. Some of the more egregious cases filed alleged that the real estate agent failed to respond to an email request, which had been flagged as spam. In another case, the plaintiff is alleging they were denied the use of a Housing Choice Voucher (commonly known as a "Section 8 voucher") for properties where the broker/agent did not represent the owner/landlord on the listing. According to feedback from our REALTOR[®] members, initial settlement offers from the testers' attorneys have recently increased to \$30,000 to \$40,000.

Data from Florida REALTORS[®]' 2021 Member Profile shows that, after taxes and expenses, the median net income for a real estate sales agent was \$18,400 and \$43,200 for brokers/broker associates. Hiring an attorney at an hourly rate to defend alleged violations of a county ordinance is not possible for many of our REALTOR[®] members.



For this reason, we respectfully request that the Board remove the provision in the Tenant's Bill of Rights that creates a right of private action, and instead, replace it with civil fines and an administrative hearing process. Additionally, we have addressed some of the other concerns and potential solutions (outlined in red) with rationale (in blue) in the order of priority for our nearly 60,000 REALTOR[®] members:

1. Remove Sec. 17-170. Enforcement by private persons

Replace: Sec. 17-170. Enforcement - <u>Any landlord who willfully violates any provision of this section or</u> <u>fails to comply therewith shall be subject to fines in accordance with chapter 8CC and to any penalties or</u> <u>remedies provided in section 1-5 and chapter 8CC, as applicable.</u>

2. Amend Sec. 17-167(2). Additional Tenant Rights:

(e) Take an adverse action against a tenant who makes a complaint with the minimum housing enforcement officer for an investigation of necessary repairs on their own and deducts the cost from their rental payment, if:

- (i) The landlord has failed to maintain the dwelling unit in accordance with section 83.51, Florida Statutes, and chapter 17, Article II of the Code, and the tenant has filed a complaint with the minimum housing enforcement officer for an inspection, providing evidence of such needed repairs to comply with minimum housing standards. Once there is a finding under the inspection and a final order has been issued under Sec. 17-12, if the landlord has not appealed, a tenant may request three (3) bona fide quotes for repairs from the appropriate licensed and bonded professionals. Tenant must provide these quotes to the landlord and give 7 days to respond. If no response is received, tenant may proceed with the lowest quote and deduct from rent. Tenant assumes all risk and liability for repairs if they exercise the option to repair and deduct. Tenant shall provide, including, but not limited to, receipts, before and after photographs of the area of the dwelling unit that was repaired, and other similar documentation to the landlord and minimum housing enforcement officer; and
- (ii) The tenant has withheld rent and provided a 7 day notice of the landlord's failure to maintain the dwelling unit in accordance with section 83.56, Florida Statutes. The tenant has withheld rent in an amount not to exceed the security deposit and last month's rent and provided a 7day notice of the landlord's failure to maintain the dwelling unit in accordance with section 83.56, Florida Statutes. If the repairs that are needed to comply with minimum housing standards exceed the security deposit and last month's rent, the landlord, at the landlord's option, may give the tenant the option to terminate the rental agreement without penalty, and such termination shall not be considered an adverse action.

Rationale: While we are offering these revisions to improve the proposed process and to remove any questions of vagueness, our REALTOR[®] members feel strongly that tenants should not be making any



repairs to properties in which they do not own. This is a serious liability, especially in multifamily housing. Moreover, as currently written, it has the potential for widespread fraud and abuse.

3. Remove Sec. 17-167 (2) Additional Tenant Rights:

(f) Take any adverse action against a tenant in retaliation for the tenant's use of the Tenant Information Helpline established in accordance with section 17- 169 of this article, or any agency or entity to which they are referred pursuant to using the helpline. There will be a rebuttable presumption that an adverse action is retaliatory if it occurs within 60 days after a tenant utilizes the Tenant Information Helpline, and no other reasonable basis for the adverse action exists between the tenant utilizing the Tenant Information Helpline and the landlord's adverse action.

Rationale: This section should be removed entirely because Florida Statute Section 83.64, "Retaliatory Conduct," already covers it. If it remains, this section will cause confusion by deviating from what already in the Florida Landlord/Tenant act. Moreover, it would mislead tenants to believe they are protected from any adverse action by calling the Helpline. The rebuttable presumption here that a landlord is retaliating against a tenant if they used the Helpline is also problematic because landlords have no way to know if the tenant called the Helpline. Last, our office is receiving a flood of emails and calls from landlords and tenants asking for guidance on the new ordinances in Miami-Dade County. We want to make sure that the Helpline would also serve landlords so that they have a resource to make sure they are in compliance with any new ordinances.

4. Amend Sec. 17-168. Notice of Tenant's Rights

(2) The tenant shall review, acknowledge, sign and date the tenant's rights notice. The tenant must return the tenant's rights notice to the landlord within 7 days of receipt and be provided with a signed copy for the tenant's records.

Rationale: Why must the landlord send the tenant a signed copy, when the tenant signed the copy? It's already an official document in their possession.

Remove subsections (3) – (5) and (7).

Rationale: Our REALTOR[®] members have grave concerns about the authority the Office of Housing Advocacy is relying on to require landlords to provide documentation without a subpoena or a warrant. There are serious due process concerns here, and it is unclear how this will benefit tenants.

5. Remove Sec. 17-167. Unlawful Practices, (2) Additional tenant rights.

(d) Inquire about, consider, or require disclosure from a prospective or current tenant regarding their eviction history when considering an application for admission to, or continuing occupancy of, a dwelling unit until the prospective tenant or current tenant has been determined qualified for admission to, or



continuing occupancy of, a dwelling unit.

Rationale: We understand that evictions have collateral legal consequences. That said, eviction history, just like criminal history, is part of a risk assessment by landlords, in addition to numerous other factors used to determine qualification. Credit is another factor. Credit reports or tenant screening reports may also contain eviction information. Instead of including this provision, we would encourage the County to instruct the new Office of Housing Advocacy to work with individuals who have been evicted to file motions to determine confidentiality of court records, which is a process that already exists under the Florida Rules of Judicial Administration, and which would be a much better protection against collateral legal consequences of evictions.

In conclusion, the South Florida real estate market has changed substantially over the past two years. There is not enough rental inventory to meet the current demand and high costs and regulatory issues discourage developers from building it. We would love to meet with you to share some ideas. A competitive market will provide more choices for tenants and force the "bad actors" to provide better living conditions for our tenants.

Sincerely,

Enrique Teran Avanti Way Realty 2022 Residential President MIAMI Association of REALTORS[®]