

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
 FROM: Vice-Mayor Alex Fernandez  
 DATE: October 26, 2022

SUBJECT: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS REDUCING COST BURDENS ON TENANTS BY ESTABLISHING A UNIVERSAL RENTAL APPLICATION FEE PROCESSING PROGRAM IN THE CITY OF MIAMI BEACH.

### **RECOMMENDATION**

South Florida is currently in the worst housing affordability crisis in the last 40 years. Rental markets in Miami are roughly 22 percent above their long-term premium, making South Florida the most overpriced market in the country. In addition to rising rental prices and the stressful process of looking for apartments, renters also have to deal with renting application fees, which can get expensive quickly.

Landlords typically use a rental application fee to pay for the costs associated with processing a lease application. In most cases, the fee covers the cost of running a background check and a credit history. On average, an application fee can run between \$40 and \$135 per renter. Filling out several lease applications in the search of housing can cost a renter over \$500 until the search is complete.

I would like for the Finance and Economic Resiliency Committee to consider a proposal for the City to explore an ordinance that would establish a Universal Rental Application Fee Processing Program to reduce the costs of multiple rental application fees shouldered by renters seeking housing.

Through the contemplated Program, which would only be available to persons meeting low-income or moderate income criteria, the prospective renter could submit their information to the City, pay a fixed fee, and have the City process the application (most likely through a third-party rental application processing service) and issue a packet containing all documents traditionally necessary for a rental lease application, including, but not limited to, credit checks and criminal background checks.

The City's certified application process and its results would be valid for 30 days after the issuance, and would be deemed as a satisfactory alternative to any landlord's requirement of paying a rental application fee, reducing the need for a prospective renter to pay for multiple background checks.

The Ordinance establishing the Program would also include a non-discrimination clause, to further protect City's prospective renters from discriminating against renters who choose to participate in this program.

As part of this referral, I would ask for the Administration and City Attorney's Office to be prepared to address any concerns regarding the viability of a program, and/or any related legal issues.

Should you have any questions or concerns about any of the foregoing, please do not hesitate to contact me or my aide.

### **SUPPORTING SURVEY DATA**

n/a

### **FINANCIAL INFORMATION**

n/a

### **Applicable Area**

Citywide

### **Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?**

Yes

### **Does this item utilize G.O. Bond Funds?**

No

### **Strategic Connection**

Non-Applicable

**Legislative Tracking**

Vice-Mayor Alex Fernandez