

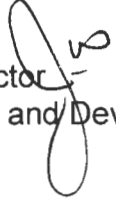


Interoffice Memorandum

AGENDA ITEM

July 7, 2022

TO: Mayor Jerry L. Demings  
-AND-  
County Commissioners

FROM: Jon V. Weiss, P. E., Director   
Planning, Environmental, and Development Services  
Department

SUBJECT: July 26, 2022 – Discussion Item  
Draft Rent Stabilization Ordinance

At the June 23, 2022 Special Board meeting, staff provided a summary of the previous Board discussions on Rent Stabilization held on April 5, 2022 and June 7, 2022. Following the Board discussion, there was majority interest in further developing an ordinance for Rent Stabilization. The Board directed staff to schedule a Discussion Item on July 26, 2022 to finalize outstanding policy issues and review a draft ordinance that could be scheduled for a future public hearing.

At the July 26, 2022 Board meeting, staff will present the draft Rent Stabilization Ordinance for discussion and direction. Outstanding issues remaining for discussion include an exemption for new units, the proposed limit of allowed rent increase, applicability of rent increase cap to the lease/tenant or unit, the County's oversight role, and the effective dates of the ordinance.

**ACTION REQUESTED: Board direction regarding Rent Stabilization Ordinance. All Districts.**

JVW/SS

Attachment

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**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE RELATED TO RENT STABILIZATION IN ORANGE COUNTY; ENACTING A NEW ARTICLE XIII, DIVISION 2 OF THE ORANGE COUNTY CODE OF ORDINANCES (“CODE”), SECTION 25-380 THROUGH SECTION 25-449; PROVIDING A SHORT TITLE AND LEGISLATIVE FINDINGS AND PURPOSE; LIMITING RENT INCREASES FOR CERTAIN RESIDENTIAL UNITS FOR A PERIOD OF ONE (1) YEAR; CALLING FOR A REFERENDUM; PROVIDING BALLOT LANGUAGE; REQUIRING PUBLIC NOTICE OF SUCH REFERENDUM; PROVIDING THAT THE RENT STABILIZATION ORDINANCE WILL TAKE EFFECT ONLY UPON APPROVAL BY THE ELECTORATE; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, there are approximately 584,000 total housing units in Orange County of which 230,000 are occupied by renters and according to the 2020 census, Orange County has seen an approximate 25% increase in population since 2010—from approximately 1.15 million people to approximately 1.43 million people; and

**WHEREAS**, there is a shortage of dwelling houses and apartments in Orange County, Florida needed to house the current and growing population; and

**WHEREAS**, because of the current shortage of housing, the vacancy rate for housing is low; and

**WHEREAS**, tenants displaced as a result of their inability to pay increasing rents must relocate, but are unable to find decent, safe, and sanitary housing at affordable rent levels; and

**WHEREAS**, some tenants attempt to pay the requested rent increases, but as a consequence must expend less on other necessities of life; and

**WHEREAS**, this situation has had a detrimental effect on a substantial number of renters in Orange County creating hardships on senior citizens, persons on fixed incomes, and low and moderate-income households; and

**WHEREAS**, a housing emergency so grave as to constitute a serious menace to the general public exists in fact in Orange County; and

**WHEREAS**, it is necessary and proper to regulate rents to eliminate such grave housing emergency.

46 BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE  
48 COUNTY, FLORIDA:

*Section 1. Recitals.* The Recitals set forth above are hereby adopted and incorporated  
50 into the body of this ordinance as if fully set forth herein.

*Section 2. Enactment of New Chapter 25, Article XIII, Division 2.* A new Rent  
52 Stabilization Ordinance, to be codified at Chapter 25, Article XIII, Division 2 of the Code, Section  
25-380 through Section 25-449, is hereby enacted to read as follows:

54 **CHAPTER 25. LICENSES, TAXATION AND  
MISCELLANEOUS BUSINESS REGULATIONS**

56 \* \* \*

**ARTICLE XIII. RESIDENTIAL TENANCIES**

58 \* \* \*

**DIVISION 2. RENT STABILIZATION**

60 *Section 25-380. Short Title and Scope.*

62 This division shall be known and may be cited to as the  
64 "Rent Stabilization Ordinance." The Rent Stabilization Ordinance  
shall be effective in both the incorporated and unincorporated areas  
within Orange County.

66 *Section 25-381. Legislative Findings and Purpose.*

68 (a) Section 125.0103, Florida Statutes (the "Statute"), provides that  
70 ordinances which would have the effect of imposing controls on  
rents may be adopted when it is found and determined that such  
72 controls are necessary and proper to eliminate an existing  
housing emergency which is so grave as to constitute a serious  
74 menace to the general public; and

76 (b) The Statute authorizes a county to duly adopt an ordinance  
which would have the effect of imposing controls on rents when  
78 the governing body makes and recites in such ordinance its  
findings establishing the existence in fact of a housing

- 80 emergency so grave as to constitute a serious menace to the  
82 general public and that such controls are necessary and proper  
to eliminate such grave housing emergency; and
- 84 (c) There is a shortage, scarcity, and insufficient supply of dwelling  
86 houses and apartments in Orange County, Florida. Relative to  
population, national production of housing units has declined  
88 from approximately 0.82 homes per person in the 1970s to  
approximately 0.45 homes per person in 2019. In Orange  
90 County, there is a shortage of as many as 26,500 housing units  
relative to the County's need; and
- 92 (d) According to the 2020 census, Orange County has seen an  
94 approximate 25% increase in population since 2010—from  
approximately 1.15 million people to approximately 1.43  
96 million people; and
- 98 (e) There are approximately 584,000 total housing units in Orange  
County, of which 230,000 are occupied by renters; and
- 100 (f) The shortage of housing is further evidenced by the low vacancy  
102 rate for rental properties in Orange County which reached 5.2%  
in 2021—the lowest on record since at least the year 2000; and
- 104 (g) Inflation, housing prices, and rental rates in Orange County are  
106 increasing, accelerating, and spiraling. The Consumer Price  
Index for All Urban Consumers in the South was 9.2% from  
108 May 2021 to May 2022. The median existing home sales price  
in Orange County was \$275,000 in May 2020 and \$392,500 in  
110 May 2022 which represents a 43% increase. Asking rent per unit  
in the County was \$1,357 in 2020 and \$1,697 in 2021 which  
112 represents a 25% year-over-year increase—the highest increase  
since 2006 when it was 6.7%; and
- 114 (h) The housing conditions have resulted in widespread distress  
116 among Orange County residents. It is estimated that 80.3% of  
households earning at or below the Average Median Income  
118 (AMI) in Orange County are considered “cost burdened” which  
the U.S. Department of Housing and Urban Development  
120 defines to include households who pay more than thirty-percent  
(30%) of their income for housing and may have difficulty  
122 affording necessities such as food, clothing, transportation, and  
medical care; and

- 124 (i) The widespread distress in housing conditions is further  
126 evidenced as Orange County residents were awarded more funds  
128 from the State of Florida's Emergency Rental Assistance  
130 Program I ("Emergency Program") than any other county in the  
132 state. The Emergency Program has since ended while the  
134 County's housing conditions continue to worsen; and
- 138 (j) Orange County was in a housing crisis prior to the COVID-19  
140 pandemic. In May 2018, Central Florida's interjurisdictional  
142 Regional Affordable Housing Initiative said, "National and  
144 regional home prices and rents are pushing well above historic  
146 limits when compared to income and affordability. The situation  
148 has passed the point of concern and is now a crisis." The housing  
150 crisis has worsened since the COVID-19 pandemic; and
- 152 (k) Tenancies are being terminated and eviction rates are increasing.  
154 For the first half of 2022, there have been 6,970 eviction case  
156 filings, which is a 70.1% increase over the same period in 2021;  
158 and
- 160 (l) The findings made and recited in this ordinance establish the  
162 existence in fact of a housing emergency so grave as to constitute  
164 a serious menace to the general public; and
- 166 (m) The Orange County Board of County Commissioners finds that  
this grave housing emergency cannot be dealt with effectively  
by the ordinary operations of the private rental housing market.  
In jurisdictions in Florida comparable to Orange County that do  
not have rent stabilization measures in place, rent increases  
continue to spiral. For example, in Hillsborough County, Duval  
County, and Broward County, the year-over-year asking rent has  
increased by over 20%; and
- (n) Jurisdictions with rent stabilization measures in effect and  
otherwise comparable to Orange County have been successful  
in protecting tenants by establishing limits on rent increases  
while still providing landlords with a fair and reasonable return  
on their investment. For example, in California, Alameda  
County and Sacramento County contain rent control measures  
and have limited their year-over-year asking rent increases to  
approximately 5%-10% despite low vacancy rates; and
- (o) The Board finds that a rent stabilization measure is necessary  
and proper to eliminate the County's housing emergency which

168 is so grave as to constitute a serious menace to the general  
170 public.

172 The purpose of this Rent Stabilization Ordinance is to  
174 provide stability and certainty for tenants in the rental market, as  
176 necessary and proper to eliminate the grave housing emergency,  
while also providing landlords with the opportunity to receive a fair  
and reasonable return on their investment.

178 ***Section 25-382. Authority.***

180 Pursuant to Section 125.0103, Florida Statutes, the Orange  
182 County Board of County Commissioners is authorized to adopt this  
184 necessary and proper Rent Stabilization Ordinance to eliminate the  
existing housing emergency which is so grave as to constitute a  
serious menace to the general public.

186 ***Section 25-383. Definitions.***

188 For the purposes of this Rent Stabilization Ordinance, the  
following definitions shall apply:

190 (a) *Board* or *BCC* shall mean the Board of County Commissioners  
of Orange County, Florida.

192 (b) *Change of occupancy* shall mean a change in the occupation of  
194 the rental unit from one tenant to another tenant.

196 (c) *Consumer Price Index* or *CPI* shall mean the U.S. Department  
of Labor, Bureau of Labor Statistics Consumer Price Index for  
198 All Urban Consumers, South Region (or the closest region to the  
County available), All Items.

200 (d) *County* shall mean Orange County, Florida.

202 (e) *Dwelling unit* shall mean:

204 (1) A structure or part of a structure that is rented for use as a  
206 home, residence, or sleeping place by one person or by two  
or more persons who maintain a common household.

208 (2) A mobile home rented by a tenant.

210

- 212 (3) A structure or part of a structure that is furnished, with or  
without rent, as an incident of employment for use as a  
214 home, residence, or sleeping place by one or more persons.
- 216 (f) *Grave housing emergency* shall mean the housing emergency so  
grave as to constitute a serious menace to the general public as  
218 found to exist in the County by the Board as recited in this Rent  
Stabilization Ordinance in accordance with Section 125.0103,  
220 Florida Statutes.
- 222 (g) *Housing services* shall include, but are not limited to,  
maintaining roofs, windows, doors, floors, steps, porches,  
224 exterior walls, foundations, and all other structural components  
in good repair and capable of resisting normal forces and loads,  
226 and maintaining the plumbing in reasonable working condition,  
and ensuring that screens are installed in a reasonable condition,  
228 and any other benefit, privilege, or facility connected with the  
use or occupancy of any rental unit pursuant to applicable state  
230 and local law, building, housing, and health codes, and rental  
agreements.
- 232 (h) *Landlord* shall mean the owner or lessor of a residential rental  
unit.  
234
- 236 (i) *Ordinance* shall mean the Rent Stabilization Ordinance.
- 238 (j) *Rent* shall mean the periodic payments due the landlord from the  
tenant for occupancy under a rental agreement and any other  
240 payments due the landlord from the tenant as may be designated  
as rent in a written rental agreement.
- 242 (k) *Rental Agreement* shall mean any written agreement, including  
amendments or addenda, or oral agreement for a duration of less  
244 than 1 year, providing for use and occupancy of premises.
- 246 (l) *Residential rental unit* or *rental unit* shall mean any dwelling  
unit, or portion of a dwelling unit, that is located in a multifamily  
248 structure containing a total of four (4) or more dwelling units  
that are rented or otherwise made available for rent for  
250 residential use or occupancy, together with all housing services  
connected with the use or occupancy of such property, including  
252 but not limited to mail vehicle parking spaces, storage, and  
common areas and/or recreational facilities, amenities held out  
254 for use by tenants.

256 (m) *State* shall mean the State of Florida.

258 (n) *Tenancy* shall mean the right of entitlement of a tenant to use or  
260 occupy a residential rental unit under the terms of a rental  
agreement.

262 (o) *Tenant* shall mean any person entitled to occupy a residential  
rental unit under a rental agreement.

264

***Section 25-384. Limitations on rent increases.***

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268 (a) No landlord shall demand, charge, or accept from a tenant a rent  
increase for a residential rental unit more than once in a 12-  
month period.

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272 (b) No landlord shall demand, charge, or accept from a tenant a rent  
increase that is in excess of [REDACTED] of the existing monthly rent,  
274 or the average annual increase in CPI from the preceding year,  
whichever is higher, for any residential rental unit except as  
otherwise allowed under Section 25-386 of this ordinance.

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***Section 25-385. Vacancy.***

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The limitations on the amount of annual rent shall apply  
280 regardless of change of occupancy in a residential rental unit except  
as otherwise allowed under Section 25-386 of this ordinance.

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***Section 25-386. Fair and reasonable return on investment.***

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286 (a) The Board shall adopt a resolution with rules establishing a  
process by which landlords can request exceptions to the  
288 limitations on rent increases based on the opportunity to receive  
a fair and reasonable return on investment. Rationale for  
290 deviations from the limitation on rent increases must consider  
the following factors:

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(1) Increases or decreases in property taxes;

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(2) Unavoidable increases or any decreases in maintenance and  
operating expenses;

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298 (3) The cost of planned or completed capital improvements to  
the rental unit (as distinguished from ordinary repair,  
replacement and maintenance) where such capital  
300 improvements are necessary to bring the property into



302 compliance or maintain compliance with applicable  
building, housing, or health codes, and where such capital  
304 improvement costs are properly amortized over the life of  
the improvement:

306 (4) Increases or decreases in the number of tenants occupying  
the rental unit, living space, furniture, furnishings,  
308 equipment, or other housing services provided, or occupancy  
rules;

310 (5) Substantial deterioration of the rental unit other than as a  
312 result of normal wear and tear;

314 (6) Inability of the landlord to provide adequate housing  
services, or to comply substantially with applicable state and  
316 local laws, building, housing, or health codes, or the rental  
agreement; and

318 (7) The pattern of recent rent increases or decreases.

320 (b) It is the intent of this ordinance that exceptions to the limitations  
on rent increases be made only when the landlord demonstrates  
322 that such adjustments are necessary to provide the landlord with  
a fair and reasonable return on investment.

326 (c) The County will not grant an exception to the limitations on rent  
increases for any residential rental unit where the landlord has  
328 failed to bring the rental unit into compliance with applicable  
state and local laws and building, housing, and health codes.

330 ***Section 25-387. Exemptions.***

332 This Rent Stabilization Ordinance shall not apply to any  
334 residential rental units expressly exempt pursuant to any provision  
of state or federal law, and such units shall be exempt from the  
336 provisions of this ordinance. The following units are also  
specifically exempt from this ordinance:

338 (a) Rental units used or offered for residential purposes as a  
340 seasonal or tourist unit pursuant to Section 125.0103(4), Florida  
Statutes, which include units located in a hotel, motel, or other  
342 similar establishment where units are rented primarily to  
transient guests;

344

- 346 (b) Units used or offered for residential purposes as a second  
housing unit pursuant to Section 125.0103(4), Florida Statutes,  
which include accessory dwelling units:  
348
- 350 (c) Rentals units located in a luxury apartment building pursuant to  
Section 125.0103(4), Florida Statutes, which, for the purposes  
352 of this section, shall mean one wherein on January 1, 1977, the  
aggregate rent due on a monthly basis from all dwelling units as  
354 stated in leases or rent lists existing on that date divided by the  
number of dwelling units exceeds \$250:
- 356 (d) Dwelling units located in a single-family home, townhome,  
condominium, or mobile home, and mobile home lot rents as  
358 preempted by Chapter 723, Florida Statutes:
- 360 (e) Rental units that a governmental agency or authority owns,  
operates, or otherwise manages;  
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- 364 (f) Dwelling units located in a cooperative apartment occupied by a  
holder of a proprietary lease:
- 366 (g) Dwelling units located in a disability facility, hospital, nursing  
home, assisted care community, or other health care facility  
368 licensed under Chapter 393, 395, 400, or 429, Florida Statutes:
- 370 (h) Rental units for which the landlord receives federal, state, or  
local housing subsidies including, but not limited to, federal  
372 housing assistance vouchers issued under Section 8 of the  
United States Housing Act of 1937 (42 U.S.C. Sec. 1437f);  
374
- 376 (i) Rental units that are currently under rent control by virtue of  
local, state or federal housing subsidy; and
- 378 (j) New rental units that have received a Certificate of Occupancy  
on or after the effective date of this ordinance.  
380

382 ***Section 25-388. Enforcement, penalties, and prohibitions.***

- 384 (a) *Enforcement.* This ordinance may be enforced by code  
enforcement officers, including county and municipal code  
386 enforcement officers, and any law enforcement agency having  
jurisdiction of the area within which the rental unit at issue is  
located pursuant to Section 125.69 and Chapter 162, Florida  
388 Statutes, or any applicable municipal code enforcement  
provision.

390

(b) *Penalties for violation.* In addition to any other remedy available at law or equity, failure to comply with the provisions of this ordinance may result in a fine not to exceed five hundred dollars (\$500.00) or by imprisonment in the county jail for a term not exceeding sixty (60) days, or by both such fine and imprisonment in accordance with Section 125.69, Florida Statutes, and Section 1-9 of the Orange County Code.

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(c) *Private right of action.*

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(1) Any tenant aggrieved by a landlord's noncompliance with this ordinance may seek relief in a court of competent jurisdiction provided that such action is filed within two (2) years of the alleged violation.

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(2) In a private civil action filed under this ordinance, the court may issue an order prohibiting the unlawful practice and providing affirmative relief from the effects of the practice, including equitable relief, temporary restraining order, actual and punitive damages, reasonable attorney's fees, interest, costs, or other relief, upon a finding that a violation of this ordinance has occurred or is about to occur.

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(d) *Prohibition of waiver.* Any lease provision which waives or purports to waive any right, benefit, or entitlement created in this ordinance shall be deemed void and of no lawful force or effect.

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*Sections 25-389 – 25-449. Reserved.*

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**Section 3. Referendum Called.** A referendum election is hereby called and ordered to be held in Orange County at the time of the next general election to be held on November 8, 2022.

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to determine whether the Rent Stabilization Ordinance is approved by the voters.

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**Section 4. Notice of Referendum.** Pursuant to Section 100.342, Florida Statutes, a Notice of Referendum shall be published twice in the *Orlando Sentinel*, a newspaper of general circulation in the County. The publications shall occur once in the fifth week and once in the third week prior to the week which includes November 8, 2022.

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**Section 5. Official Ballot.** Ballots to be used in the referendum shall contain a  
428 statement of the description of the proposed issue in substantially the following form:

Rent Stabilization Ordinance to  
Limit Rent Increase for Certain  
Residential Rental Units

Shall the Orange County Rent Stabilization Ordinance, which  
limits certain multifamily rental units to rent increases of  
[REDACTED] annually or the increase in the Consumer Price Index,  
whichever is higher, and requires the County to create a process  
for landlords to request an exception to the limitation on the rent  
increase based on an opportunity to receive a fair and reasonable  
return on investment, be approved for a period of one year?

430 **Section 6. Spanish Translation.** The above ballot question shall additionally appear  
on the ballot in Spanish and the County Attorney and Supervisor of Elections are requested to  
432 authorize, and directed to prepare, an accurate Spanish translation to be included on the ballot.

**Section 7. Payment of Referendum Expenses.** The Board authorizes the payment of  
434 lawful expenses associated with conducting the referendum, as well as the cost of communicating  
factual information regarding the referendum to the public to the extent permitted by Section  
436 106.133, Florida Statutes. The Orange County Comptroller is hereby authorized and directed to  
disburse the funds necessary to pay such expenses.

438 **Section 8. Repeal of Laws in Conflict.** All local laws and ordinances in conflict with  
any provision of this ordinance are hereby repealed to the extent of such conflict.

440 **Section 9. Severability.** If any section, subsection, sentence, clause, or provision of this  
ordinance or the application thereof to any person or circumstance is held invalid for any reason.

442 the invalidity shall not affect any other provision or application of this ordinance, and to this end  
the provisions of this ordinance are declared severable.

444 **Section 10. Effective Date.** This ordinance shall take effect pursuant to general law.  
However, Division 2, Rent Stabilization Ordinance, Sections 25-380 through 25-449 shall take  
446 effect only if and when approved by a majority of the voters voting in the referendum called by  
the Board of County Commissioners of Orange County, Florida in Section 3 of this ordinance. In  
448 accordance with Section 125.0103(3), Florida Statutes, the Rent Stabilization Ordinance approved  
pursuant to Sections 3 and 4 of this ordinance shall terminate and expire one (1) year after this  
450 ordinance’s effective date and shall not be extended or renewed except by the adoption of a new  
ordinance meeting all the requirements of Florida Statutes.

452 ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

454  
456 ORANGE COUNTY, FLORIDA  
By: Board of County Commissioners  
458  
By: \_\_\_\_\_  
460 Jerry L. Demings  
Orange County Mayor

462 ATTEST: Phil Diamond, CPA, County Comptroller  
464 As Clerk of the Board of County Commissioners

466 By: \_\_\_\_\_  
468 Deputy Clerk