



Cover Memorandum/Staff Report

File #: 23-150 CRA

Agenda Date: 7/25/2023

Item #: 7H.

TO: CRA Board of Commissioners
FROM: Kim N. Phan, Esq., Legal Advisor
THROUGH: Renée A. Jadusingh, Executive Director
DATE: July 25, 2023

SECOND AMENDMENT TO PROPERTY MANAGEMENT AGREEMENTS - DELRAY HOUSING GROUP, INC. - DELRAY BEACH COMMUNITY LAND TRUST, INC.

Recommended Action:

- 1) Approve the Second Amendment to the Property Management Agreement Between the Delray Beach Community Redevelopment Agency and Delray Housing Group, Inc., in substantially the attached form.
- 2) Approve the Second Amendment to the Property Management Agreement Between the Delray Beach Community Redevelopment Agency and Delray Beach Community Land Trust, Inc., in substantially the attached form.

Background:

A new law that became effective on January 1, 2023, section 509.211(5), Florida Statutes (also known as Miya's Law), applies to the Delray Beach Community Redevelopment Agency ("CRA") regarding the residential rental properties with more than four (4) units - LaFrance Apartments, Carolyn Quince Court, and Palm Manor Apartments. Senate Bill 898 was named after Miya Marcano, a young woman and Orlando student who was tragically killed in her apartment in 2021 by a maintenance worker who entered her unit with an apartment key fob. (See attached June 27, 2022 Governor Ron DeSantis News Release)

Miya's Law mandates that each public lodging establishment licensed as a nontransient apartment or transient apartment require that each employee of the licensee undergo a background screening as a condition of employment pursuant to s. 83.515, F.S. See §509.211(5), Fla. Stat. Background screenings are only required for employees hired on or after January 1, 2023. *Id.* For the purpose of section 509.211(5), Florida Statutes, the term "employee" means a person who is directly employed by a public lodging establishment and works at the licensed premises. Rule 61C-3.0003, F.A.C. The term excludes independent contractors and persons employed by a temporary staffing agency or employee leasing company. *Id.*

Additionally, a log accounting for the issuance and return of all keys for each dwelling unit is required and policies and procedures must be established for the issuance and return of dwelling unit keys and regulating the storage of, and access to, unissued keys. The landlord also cannot offer hourly rentals of lodging establishments and must give 24-hour notice before entering an individual unit for repairs. See §§509.098 and 83.52, Fla. Stat. Upon request during the Division of Hotels and Restaurants of the Department of Business and Professional Regulation's annual inspection of the premises, a licensee must provide the division with proof of compliance with this subsection for the inspection. §509.211(5), Fla. Stat.

On January 5, 2022, the CRA entered into a property management agreement with Delray Housing Group, Inc. ("DHG") to perform property management services for residential properties known as LaFrance Apartments located at 140 NW 4th Avenue, Delray Beach, Florida and Carolyn Quince Apartments located at 133 NW 5th Avenue, Delray Beach, Florida, ("DHG Agreement"). A First Amendment to the DHG Agreement was entered into on March 1, 2022 to include additional language including language required by section 119.0701, Florida Statutes regarding public records.

On January 25, 2022, the CRA entered into a property management agreement with the Delray Beach Community Land Trust, Inc. ("CLT") to perform property management services for residential properties known as Palm Manor Apartment at 31, 39 & 45 SW 9th Avenue, 47 SW 8th Avenue, and 121 SW 10th Avenue, Delray Beach, Florida ("CLT Agreement"). A First Amendment to the CLT Agreement was entered into on April 12, 2022 to include additional language including language required by section 119.0701, Florida Statutes regarding public records.

In order to comply with Miya's Law, section 509.211(5), a second amendment is required for the DHG Agreement and CLT Agreement that includes a detailed Key Control Policy and Key Log.

At this time, Staff is requesting the Board to approve the second amendments to the DHG Agreement and CLT Agreement that includes a detailed Key Control Policy and Key Log in compliance with Miya's Law, section 509.211(5), in substantially the attached form.

Attachments: Exhibit A - Second Amendment to Property Management Agreement with DHG; Exhibit B - Second Amendment to Property Management Agreement with CLT; Exhibit C - June 27, 2022 Governor Ron DeSantis News Release

CRA Attorney Review:

The CRA Attorney has prepared the attached second amendments to the property management agreements with the Delray Housing Group, Inc. and the Delray Beach Community Land Trust, Inc.

Funding Source/Financial Impact:

N/A

Overall need within the Community Redevelopment Area from Delray Beach CRA

Redevelopment Plan:

Removal of Slum and Blight

Land Use

Economic Development

Affordable Housing

Downtown Housing

Infrastructure

Recreation and Cultural Facilities