

QUESTION 24 – HOUSING

A. 1. If the proposed development contains residential development, provide the following information on Table for each phase of development.

No residential development is proposed as part of The Commons DRI.

A. 2. What number and percent of lots will be sold without constructed dwelling units? What is the extent of the improvements to be made on these lots prior to sale?

Per response to Question 24 A.1, not applicable

A. 3. What will be the target market for the residential development (break down by number, percent and type the number of units to be marketed to retirees, families, etc.) What portion will be marketed as second homes or vacation homes?

Per response to Question 24 A.1, not applicable

B. Indicate and discuss the availability or projected availability of adequate housing and employment opportunities reasonably accessible to the development site. Housing opportunities should be described in terms of type, tenure, and cost range and location within the following circumscribed areas: adjacent, two miles, five miles, ten miles, and within the local jurisdiction or county. Employment opportunities should be described in terms of two digit SIC code numbers, located with the local jurisdiction with estimated distances or transit times to the development site.

The Housing Demand, Supply and Need Methodology for Assessing the Affordable Housing Impact of Developments of Regional Impact (the “Methodology”), developed by the East Central Florida Regional Planning Council and amended June 1999, was used as the basis for evaluating the adequacy of the affordable housing supply that will be available to people working at The Commons DRI requiring very low, low and moderate income housing.

The four specific components of the Methodology are as follows:

- Estimating the Demand for Affordable Housing
- Estimating the Supply of Affordable Housing
- Estimating the Need for Affordable Housing
- Mitigating the Deficit of Affordable Housing

Estimating the Demand for Affordable Housing

The Commons DRI will contain 1.1 million square feet of retail space, inclusive of food and beverage outlets, as well as 885,000 square feet of office space and a 300-key hotel.

- According to the operators of super regional malls such as that proposed at The Commons, the workforce typically totals 2.5 people per 1,000 square feet, a figure consistent with that used in approved DRI projects such as Village of Merrick Park and The Kendall Town Center.
- According to discussions with commercial realtors and property managers, private sector office space is typically occupied by 4 people per 1,000 square feet.
- According to discussions with hotel operators, the 300-key hotel, which is envisioned as a full-service property, will employ 0.8 employees per room, or a total of 240 people.

Based on these utilization ratios, a total of 6,534 people will work at The Commons DRI when the project is fully developed. As shown in Table 24.B.1, between 2,402 and 2,693 of them will require housing affordable to households of very low, low and moderate income, depending on the method used to distribute the workers by income category. The first method, specified in the Methodology, distributes the workers in manner consistent with a bell curve. The second method adjusts the bell curve distribution so that the total estimated earnings of the workers approximates (within 3%) the total wages that will be paid to the workers at The Commons DRI. The total wage amount, referred to as the “control number”, is the figure calculated by multiplying the average income of the

workers as reported in the 3rd quarter 2004 ES-202 Report issued by the Florida Agency for Workforce Innovation by the number of workers that will be employed at the project.

**Table 24.B.1
Demand for Affordable Housing
The Commons DRI**

Land Use	Very Low Income	Low Income	Moderate Income	Total
Bell Curve Approach				
Retail/Retail	96	636	347	1,079
Retail/Restaurant	16	38	20	74
Office/F.I.R.E. *	36	206	118	360
Office/Services	36	206	118	360
Office/Telecommunications	36	206	118	360
Office/Manufacturing	36	206	118	360
Hotel	11	55	34	100
Total	267	1,553	873	2,693
Control Number Approach				
Retail/Retail	769	119	67	955
Retail/Restaurant	69	4	0	73
Office/F.I.R.E. *	18	72	206	296
Office/Services	76	137	128	341
Office/Telecommunications	16	50	225	291
Office/Manufacturing	66	166	119	351
Hotel	65	23	7	95
Total	1,079	571	752	2,402

* Finance, Insurance and Real Estate

Appendix 24.B.1A shows the distributions of prospective workers at The Commons DRI using the bell curve approach. Appendix 24.B.1B shows the distributions formulated using the control number approach. As will be demonstrated below, a supply of affordable housing substantially exceeding the demand estimated using either method exists.

The distributions of workers by wage category provided in Appendices 24.B.1A and 24.B.1B for the retail and restaurant space are based on the leasing plans of the Applicant in terms of merchandise mix based in its experience with similar retail projects. The distributions for the office space with respect to the industry sectors represented are also based the leasing plans of the Applicant, which have been developed in consultation with commercial leasing agents active in the western area of Broward County.

In preparing the distributions of workers by wage category presented in Appendices 24.B.1A and 24.B.1B, the key assumptions were made:

- All workers at The Commons DRI will be full-time workers notwithstanding that the retail, restaurant and hotel industries employ large numbers of part-time workers. This assumption, which has been used in a number of already approved DRI's such as those for the Village at Merrick Park and Kendall Town center, is used for the purpose of conservatism. The methodology does not require that DRI applicants consider the needs of part-time workers since part-time status may be a matter of choice. By assuming that all workers are full-time workers, demand is calculated on a worse-case basis.
- All workers at the project will earn at least minimum wage, currently \$5.15 per hour. A minimum wage worker would earn \$10,712 annually if employed 40 hours per week, 52 weeks per year.
- The average wage and salary data by NAICS used in the analysis will be bases ES-202 Report for the 3rd quarter of 2004 (2004-3) compiled by the State of Florida's Agency for Workforce Innovation.

In reviewing the wage distributions, the following points should be considered:

- The ES-202 Report does not distinguish between full-time and part-time workers; hence, the average income reported for industry sectors that employ large numbers of part-time workers such as retailing, restaurants and hotels are understated for full-time workers.
- The ES-202 data does not take into consideration the income earned by restaurant and hotel workers in the form of gratuities.
- The ES-202 Report estimates the average earnings of workers in a particular

industry sector by aggregating all the workers in that industry in a county regardless of the size, quality, chain-affiliation and market orientation of the individual establishments. Illustratively, the workers in a 20-unit, “mom and pop” motel property are lumped together with the workers in a 300-room luxury, chain-affiliated hotel. Such aggregation likely understates the average earnings of the people that will be employed at The Commons DRI.

As discussed above, two alternative methods for distributing the workforce at The Commons DRI by wage category were used in this analysis. The Applicant believes that the control number method provides a more realistic estimate of affordable housing demand because under the bell curve method for distributing the workers in the various industry sectors that will be represented at The Commons DRI, the average wage of all the workers at the project approximates \$40,000. Review of the ES-202 wage data for the retail, restaurant and hotel sectors shows that their average workers make considerable less than that figure. Therefore, use of bell curve method significantly overstates the earnings of many of the prospective workers at the project.

Estimating the Supply of Affordable Housing

In order to estimate the supply of affordable housing units in accordance with the Methodology, it is necessary to perform several tasks that will be discussed below.

Housing Supply Area

The first task in estimating the affordable housing supply is to define the Housing Supply Area. The Methodology requires that the relevant housing be “reasonably accessible” to the place of employment. Reasonably accessible is further defined as a commutation distance of no greater than 10 miles or a commutation time of no more than 20 minutes at

peak travel times, whichever is less. The circle shown on Figure 1 represents the area within a ten-mile radius of the site. The shaded area depicts the “commutation shed” within 20 minutes travel to The Commons DRI. This area is based on field tests conducted during the afternoon peak travel time, the results of which are provided in Appendix 2.

HUD Housing Income Categories

As stated previously, The Commons DRI will be located in Broward County. Table 24.B.2 shows the income characteristics of very low, low and moderate income households in the County based on the median income level reported by the U.S. Department of Housing and Urban Development, which is currently \$57,700.

**Table 24.B.2
HUD-defined Housing Income Categories
The Commons DRI**

Income Category	Definition	Income Threshold Range
Very Low Income	Up to 50% of median	<= \$28,850
Low Income	50 – 80% of median	\$ 28,851 – 46,160
Moderate Income	80 – 120% of median	\$ 46,161 – 69,240

Source: U.S. Department of Housing and Urban Development

Affordable Housing Cost Threshold Amounts

Rule 9J-2.048, FAC (Adequate Housing Uniform Standard Rule) defines housing to be affordable when the total annual payments for rent or mortgage payments, taxes, insurance and utilities do not exceed 30 percent of the gross annual income of very low, low and moderate income households. Table 24.B.3 illustrates the affordable housing threshold amounts for each of these income categories based on the definition cited.

Table 24.B.3
Monthly Household Cost Threshold Amounts
The Commons DRI

Income Category	Annual Income	Monthly Income	Monthly Cost Thresholds
Very Low Income	<= \$28,850	<= \$2,404	<= \$721
Low Income	\$28,851 – 46,160	\$2,405 – 3,847	\$722 – 1,154
Moderate Income	\$46,161 – 69,240	\$3,838 – 5,770	\$1,155 – 1,731

Affordable Monthly Rent Threshold Amounts

Apartment rents are typically quoted on a “net” basis, hence excluding utilities. Accordingly, an adjustment to the affordable housing cost threshold is necessary to define the affordable monthly rent payment threshold for use in compiling the available inventory of affordable rental units.

The utilities cost allowances used in the analysis, shown in Table 24.B.4 for Broward County, are based on the Broward County Housing Agency’s most recent HUD Form #52667, a copy of which is provided in Appendix 24.B.3. Also provided are calculations performed to determine the utility costs by unit type shown below:

TABLE 24.B.4
Utility Cost Allowances
The Commons DRI

Unit Type	Allowance
Efficiency	\$20
1-bedroom	\$29
2-bedroom	\$39
3-bedroom	\$48
4-bedroom	\$58

The monthly rent thresholds by income category shown in Table 24.B.5 were calculated by using the utility allowances shown above. The calculations performed to prepare the table below are provided as the third item in Appendix 24.B.3.

Table 24.B.5
Affordable Monthly Rent Threshold Amounts
The Commons DRI

Income Category	Monthly Cost Threshold Amount	Monthly Rent Threshold Amount
Very Low Income	<= \$721	<= \$683
Low Income	\$722 – 1,154	\$684 – 1,107
Moderate Income	\$1,155 – 1,731	\$1,108 – 1,673

Affordable Home Price Threshold Amounts

The determination of home price threshold amounts for owner-occupied (for-sale) housing requires a similar, but somewhat more complex, process of adjustments than that described for rental payments. The basis for compiling available for-sale housing is gross “sale” or “offering” price. In the case of for-sale housing, adjustments must be made for purchase financing terms (down payment, interest rate, and term of loan) as well as taxes, liability insurance and mortgage insurance. Assumptions associated with each of these adjustments are derived from various market-based factors that are described below.

Estimated average insurance and taxes for each household/housing price category were deducted from the affordable housing cost thresholds to determine the net monthly income available for mortgage payments shown in the second column of Table 24.B.6. The derived net monthly income available for mortgage payment was then used to calculate the maximum affordable amounts for each respective household income category.

Table 24.B.6
Affordable Home Price Threshold Amounts
The Commons DRI

Income Category	Monthly Cost Threshold Amount	Mortgage Payment	Affordable Home Cost
Very Low Income	<= \$721	<= \$479	<= \$83,459
Low Income	\$722 – 1,154	\$480 – 746	\$83,460 – 130,079
Moderate Income	\$1,155 – 1,731	\$747 – 1,103	\$130,080 – 192,203

The key assumptions used in this calculation included the following mortgage finance terms:

- 30 year amortization
- 5.625 percent (fixed) interest rate
- 5.0 percent down payment

The mortgage interest rate assumption is based on the average rate reported by the National Association of Realtors on March 15, 2005.

The down payment assumption, which is based on the Methodology, would necessitate the purchase of mortgage insurance. The mortgage brokers interviewed indicated that such insurance would cost 0.8 percent of the unit price on an annual basis.

For the purpose of this analysis, an insurance rate of \$15 per \$1,000 of value was assumed. It was further assumed that the insurance rate would be applied to 80 percent of the total value since casualty insurance is not generally required for the portion of total value represented by land rather than improvements. These assumptions are based on discussions with insurance agents active in Broward County. The rate of \$15/\$1,000 of insured value equates to \$12/\$1,000 of insured value based on the second of the two assumptions stated above.

Finally, for the purpose of this analysis, it was assumed that all for-sale units would qualify for the \$25,000 Homestead Exemption and that the applicable millage rate would be 26.0000 per \$1,000 taxable value.

Further discussion of the method used to calculate the affordable housing costs shown in Table 24.B.6 is provided in Appendix 24.B.4. The Appendix also describes the calculations performed to calculate the insurance and real estate tax amounts shown in Table 24.B.7. The mortgage payment figures shown above in Table 24.B.6 are net of real estate taxes and insurance, which were estimated as shown in Table 24.B.7.

Table 24.B.7
Estimated Monthly Insurance and Tax Payments
The Commons DRI

Income Category	Property Insurance	Mortgage Insurance	Taxes
Very Low Income	\$83	\$55	\$126
Low Income	\$102	\$86	\$228
Moderate Income	\$151	\$128	\$362

Rental Housing Supply

For the purpose of this analysis, we have reviewed the surveys of rental apartment projects in the Housing Supply Area conducted by Hanley Woods Market Intelligence (formerly The Meyers Group) in 1st Quarter, 2005. The survey focuses on rental apartment projects with 100 or more units. The projects surveyed that had vacant units are identified in Appendix 24.B.5.

Data compiled by the Division of Hotels and Restaurants of the Florida Department of Business and Professional Regulation indicates that there are considerably more rental

apartment projects within the Housing Supply Area. However, in order to determine their size, rental rate structure and occupancy status would have required a telephonic or physical survey to be performed that did not appear necessary in the context of this analysis given the substantial inventory of affordable housing units found available from the analyses performed.

There are a total of 611 vacant apartment units within the Housing Supply Area in projects surveyed by Hanley Woods Market Intelligence that would be affordable to households of very low, low and moderate income. The Methodology requires that adjustment be made to the total number of vacant units to limit the number of efficiency and one-bedroom units included in the available housing supply. The establishment of these limits is designed to preclude the possibility that the available supply be disproportionately weighted toward the smaller units, thereby failing to satisfy the housing requirements of households in the income categories being considered in this analysis that are larger than two people in size. According to the Methodology, in Broward County no more than 29.3 percent of the available supply can be efficiency units or 37.2 percent 1-bedroom units. Table 24.B.8 below was calculated by reducing the estimated number of vacant units to reflect the caps by unit type described above.

**Table 24.B.8
Rental Apartment Supply
The Commons DRI**

Income Category	Monthly Rent Thresholds	Total Vacant Units	Available Supply
Very Low Income	<= \$683	74	0
Low Income	\$684 – 1,107	396	396
Moderate Income	\$1,108 – 1,675	141	141
Total		611	537

Sources: Hanley Wood Market Intelligence; Miami Economic Associates, Inc.

Owner-occupied (For Sale) Housing Supply

A summary inventory of available owner-occupied (for sale) housing within the Housing Supply Area by income category is presented in Table 24.B.9. The Methodology provides two alternative methods for determining the available supply of affordable, owner-occupied housing units. The first method involves searching the Multiple Listing System for listings of all housing for sale in the Housing Supply Area that meet the affordability requirements. The second method relies on property appraiser data associated with recent housing transactions to gauge the availability of affordable owner-occupied units in a recent time period. Only arm's-length transactions in the Housing Supply Area are included and only the most recent transaction of any given property. The Methodology suggests that the time period considered be the most recent 12-month period for which data is available.

For the purpose of this analysis, the second method was used. As shown in Table 24.B.9, the Broward County Property Appraiser recorded over 9,200 arm's-length transactions in the Housing Supply Area for units that meet the affordability requirements during the 12-month period that ended March 31, 2005. These transactions, which are enumerated by folio number in Appendix 24.B.6, include single-family detached, single-family attached and condominium units. Transactions relating to manufactured housing/mobile homes were not included. The listings are separated by income category.

Table 9
Owner-occupied (For-sale) Housing Supply
The Commons DRI

Income Category	Home Price Threshold Amount	Available Supply
Very Low Income	</\$83,459	2,498

Low Income	\$83,460 – 130,079	2,326
Moderate Income	\$130,080 – 192,203	5,119
Total		9,943

Sources: Broward County Property Appraiser; First American Real Estate Solutions; Miami Economic Associates, Inc.

Available Affordable Housing Summary

Table 24.B.10, which is based on information contained in Tables 24.B.8 and 24.B.9 calculates the total net available affordable housing units in the Housing Supply Area regardless of tenure. In calculating net available units, a permanent vacancy rate in the rental apartment segment of 5 percent was assumed. It was also assumed that 2.5 percent of the available for-sale units are substandard.

Table 24.B.10
Net Available Affordable Housing Units
The Commons DRI

Income Category	Rental Units	For-Sale Units	Total Units
Available Units			
Very Low Income	0	2,498	2,498
Low Income	396	2,326	2,722
Moderate Income	141	5,119	5,260
Additions/(Reductions)	(5% Permanent Vacancy Rate)	(2.5 Percent Substandard Rate)	
Very Low Income	(0)	(62)	(62)
Low Income	(20)	(58)	(78)
Moderate Income	(7)	(128)	(135)
Net Available Units			
Very Low Income	0	2,436	2,436
Low Income	376	2,268	2,644
Moderate Income	134	4,991	5,125
Total Net Available	510	9,695	10,205

It should be noted that the percentage rate used for substandard units is a figure used in many approved DRI's that were prepared before release of the 2000 Census. Unlike prior censuses, the 2000 Census did not tabulate substandard units because the definition of what constitutes a substandard unit varies widely from jurisdiction to jurisdiction and region of the country to region of the country. The Census does tabulate information for units lacking full kitchens and/or full plumbing. At the time of the 2000 Census, there were over 741,000 housing units in Broward County, of which fewer than 7,400 – 1 percent --- lacked full plumbing and/or full kitchens. In this context, the use of a rate of 2.5 percent is conservative. With the census no longer tabulating substandard units, there is no general source for this information.

Estimating the Need for Affordable Housing

Table 24.B.11 compares the demand for affordable housing by income category resulting from commercial development within The Commons DRI with the available supply.

**Table 24.B.11
Estimated Surplus (Deficit) of Affordable Housing
THE COMMONS DRI**

Income Category	Demand	Supply	Surplus (Deficit)
Very Low Income	1,079	2,436	1,357
Low Income	571	2,644	2,073
Moderate Income	752	5,125	4,373
Total	2,402	10,205	7,803

Mitigating the Need for Affordable Housing

Based on the results of the analysis presented above, no mitigation efforts are required.

C. If displacement or relocation of existing residents will occur due to the proposed development, identify the number of people who will be affected, any special needs of these people and any provisions for addressing the effects of the

relocation or displacement of these people, particularly in regard to their ability to find suitable replacement housing.

There are no residential units on the property currently; accordingly, no displacement or relocation will occur.

**APPENDIX 24.B.2
DRIVING TIMES
THE COMMONS DRI**

<u>Point</u>	<u>Location</u>	<u>Route *</u>	<u>PM PEAK</u>			<u>AM PEAK</u>		
			<u>Dates</u>	<u>Time</u>	<u>Travel Time</u>	<u>Dates</u>	<u>Time</u>	<u>Travel Time</u>
A	Commercial/Nob Hill	Interstate 75	3/23/2005	4:35	18	12/1/2005	7:30	17
		Commercial Blvd	3/24/2005	5:20	19	12/2/2005	8:15	19
		Nob Hill Road						
B	Griffin Road//Turpike	1 Interstate 75	3/25/2005	5:00	20	12/5/2005	7:40	18
		Griffin Road	3/28/2005	5:30	20	12/6/2005	8:25	20
		2 Interstate 75	3/25/2005	4:45	15	12/5/2005	7:30	17
		Interstate 595 Turnpike	3/28/2005	5:25	17	12/6/2005	8:20	16
C	Interstate 75/Miramar Parkway	Interstate 75	3/23/2005	5:00	12	12/7/2005	8:00	13
			3/24/2005	5:35	14	12/8/2005	8:30	15

* The route as shown is the route during the PM Peak hour. The route at the AM Peak hour would be reversed.

Source: Miami Economic Associates, Inc.