

**24. Housing**

See State Comprehensive Plan (Chapter 187, F.S.)

GOAL (5); POLICY (3)

GOAL (16); POLICY (3)

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

Table 24-A.1						
Dwelling Units						
(2005 Constant Dollars)						
Dwelling Units						
Housing Costs*	Single-Family Detached	Single-Family Attached	Multi-Family	Apartment	Mobile Home	Total
<u>Owner-Occupied</u>						
\$200,000 - \$280,000	0	0	2,448	0	0	2,448
\$250,000 - \$350,000	0	2,436	0	0	0	2,436
\$325,000 - \$550,000	1,257	0	0	0	0	1,257
Subtotal	1,257	2,436	2,448	0	0	6,141
<u>Renter-Occupied</u>						
\$1,200 - \$1,800	0	0	0	800	0	800
Subtotal	0	0	0	800	0	800
<b>Total</b>	<b>1,257</b>	<b>2,436</b>	<b>2,448</b>	<b>800</b>	<b>0</b>	<b>6,941</b>

\* Housing Cost refers to the price ranges shown in the table.

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?**

No lots are expected to be sold without constructed dwelling units to the end user market.

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?**

There are no plans to appeal specifically to the retiree or second home/vacation home market; rather, the proposed units are expected to appeal to the broad segments that comprise the housing market in Southwestern Miami-Dade County, which include families with children in the household as well as singles, young couples and empty-nesters.

Based on the pricing shown in **Table 24-A.1**, it is anticipated that approximately 85 percent, or 680, of the rental units will be affordable to moderate income households, i.e. households earning from 80 to 120 percent of the Countywide median. The remainder will be affordable to workforce households earning between from 120 to 140 percent of the

Countywide median. These rental units constitute 11.5 percent of the project total.

The Project will also include 2,448 condominium units that will be priced from \$150,000 to \$250,000 (2006 Dollars). A portion of these units may be affordable to moderate and/or workforce income households either as a result of their price per se or with assistance under the County's Surtax and SHIP programs that allow eligible families that qualify to buy units priced up to \$225,000. In fact, some low income households may qualify to buy units at Parkland using those County programs. The specific number of the proposed condominium units that that will be so priced is not known at this time.

- 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 Parkland that require very low, low and moderate income housing.

The Methodology consists of four elements, which 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

Parkland, when fully developed, will contain 200,000 square feet of retail, restaurant and personal service establishment space, 100,000 square feet of medical office space, 550,000 square feet of industrial/flex space and a 200-bed hospital. It is estimated that employment on the site will total 2,550 workers, based on the following assumptions:

- The employee population within the 200,000 square feet of retail, restaurant and personal service space will be 2.5 workers per 1,000 square feet. This figure, which is consistent with the ratio used in a number of recently approved DRI's, is based on discussions with the developers of retail facilities and commercial leasing specialists. It is also supported by the 7<sup>th</sup> Edition of

the ITE Manual, as shown in **Appendix 24-B.1**.

- The employee population within the medical office space as well as the portion of 137,500 square feet of flex space, 25 percent of the total 550,000 square feet of industrial/flex space, that is primarily occupied by office uses is estimated at 4 employees per 1,000 square feet. This ratio is based on discussions with commercial developers and property managers active in Miami-Dade County. The estimate is also supported by the 7<sup>th</sup> Edition of the ITE Manual, as shown in **Appendix 24-B.1**. Based on this data, the proposed medical office building will be occupied by 400 workers while the flex office space will be occupied by 550 employees.
- It is typically estimated that industrial space occupied by distribution or wholesale trade uses has a population of 1.25 to 1.5 workers per 1,000 square feet. A figure of 1.33 workers per 1,000 square feet was used in this analysis, an estimate supported by the 7<sup>th</sup> Edition of the ITE Manual, as shown in **Appendix 24-B.1**. Accordingly, the 412,500 square feet of industrial space in the Project, 75 percent of the total 550,000 square feet of industrial/flex space, will be occupied by 550 workers.
- A workforce of 550 people, exclusive of the physicians, is projected by the prospective operator of the proposed facility based on discussions with administrators at Miami-Dade County hospital facilities. The estimate is considerably higher than 2.3 employees per bed or 460 employees projected using data in the 7<sup>th</sup> Edition of the ITE Manual, as shown in **Appendix 24-B.1**.

As shown in **Table 24-B.1**, between 777 and 799 of the 2,550 people who will be employed at Parkland 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 each industry sector in a manner consistent with a bell curve. The second method adjusts the bell curve distribution so that the total estimated earnings of the workers in each industry sector approximates (within 3%) the total wages that will be paid to the workers at the Project in that industry sector. The total wage amount, referred to as the “control number”, is the figure calculated by multiplying the average income of workers in an industry sector by the number of workers in that industry sector that will be employed at the Project.

**Appendix 24-B.2A** shows the distributions of prospective workers in the commercial facilities at Parkland by industry sector using the bell curve approach. **Appendix 24-B.2B** shows the distributions formulated using the control number approach.

Table 24-B.1									
Affordable Housing Demand									
Parkland DRI									
Units									
Land Use	Bell Curve Method				Control Number Method				
	Very Low	Low	Moderate	Total	Very Low	Low	Moderate	Total	
Retail/Furniture & Furnishings	2	7	2	11	9	5	0	14	
Retail/Electronics & Appliances	0	7	0	7	1	7	0	8	
Retail/Building Materials	2	7	2	11	12	4	0	16	
Retail/Food & Beverages	2	14	5	21	27	7	0	34	
Retail/Health & Personal Care	2	7	2	11	8	3	0	11	
Retail/Clothing	2	7	2	11	12	3	0	15	
Retail/Sporting Goods, Hobbies, etc.	0	7	0	7	8	0	0	8	
Retail/Miscellaneous Ggoods	0	7	0	7	7	2	0	9	
Retail/Restaurant	2	12	6	20	24	0	0	24	
Retail/Personal Services	0	8	2	10	13	2	0	15	
Office/Health Services	17	64	45	126	12	89	45	146	
Office/Professional Services	18	86	62	166	2	14	124	140	
Industrial/Durable Goods Wholesale Trade	10	57	29	96	3	23	58	84	
Industrial/Non-Durable Goods Wholesale Trade	10	57	29	96	3	29	58	90	
Hospital	18	96	63	177	15	79	91	185	
<b>Total</b>	<b>85</b>	<b>443</b>	<b>249</b>	<b>777</b>	<b>156</b>	<b>267</b>	<b>376</b>	<b>799</b>	

In reviewing the distributions of workers by wage category presented in **Appendices 24-B.2A** and **24-B.2B**, the following points should be taken into consideration:

- The analysis assumes that all workers at Parkland will be full-time workers despite the fact that part-time employment is common in the retail, restaurant and hotel sectors.
- The analysis assumes that all workers at the Project earn at least minimum wage, currently \$6.15 per hour. A minimum wage worker would earn \$12,792 annually if employed 40 hours per week, 52 weeks per year.
- The average wage and salary data by NAICS used in the analysis was compiled by the Florida Agency for Workforce Innovation in its ES-202 Report for the 3<sup>rd</sup> quarter of 2005 (2005-3), consistent with the statement of methodology agreed to at the pre-application conference for the proposed Project. The use of this data for industry sectors that employ part-time workers understates the earnings of full-time workers because the ES-202 report does not distinguish between full-time and part-time workers. The Report also does not reflect the income of restaurant workers that is received in the form of gratuities.
- The distribution of workers by NAICS that will occupy the proposed Project's retail, restaurant and personal service space as well as its office space, reflects the Applicant's understanding of its development plan and the type of tenants that would likely locate within the Project.

As discussed above, two alternatives methods for distributing the workforce at Parkland 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 for the following reasons:

- Under the bell curve method for distributing the workers in the various industry sectors that will be represented at Parkland, the average wage of all

the workers at the Project falls between \$41,000 and \$43,000, with the figure varying by sector. As shown in Appendix 24.B.1A, the ES-202 Report indicates that the average worker in many of the business sectors such as professional services and wholesale trade will, in fact, earn well in excess of \$43,000. However, many workers, including those that will be employed in the proposed retail, restaurant and personal services space, will earn below \$41,000 on average.

- The total estimated demand for affordable housing formulated using the two methods is not significantly different; however, the distribution of the estimated demand between the very low, low and moderate income categories does differ significantly, particularly with respect to the very low and moderate income categories.

### 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 as 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 commute distance of no greater than 10 miles or a commute time of no more than 20 minutes at peak travel times, whichever is less. The circle on **Figure 24-B.1** represents the area within a ten-mile radius of the site. Since travel to and from the Project, from the areas to its north and east will represent a “reverse commute”, commute time for all areas shown in blue within the 10-mile circle is less than 20 minutes. **Appendix 24-B.3** provides field observations regarding travel times within the Housing Supply Area to the points designed “A”, “B”, and “C” on **Figure 24-B.1**.

**Insert Figure 24-B.1**

HUD Housing Income Categories

As stated previously, the Parkland DRI is located in Miami-Dade County. **Table 24-B.2** shows the income characteristics of very low, low and moderate income households within the county based on the median income level reported for Miami-Dade County by the U.S. Department of Housing & Urban Development, which is \$55,900.

<b>TABLE 24-B.2 HUD DEFINED HOUSING INCOME CATEGORIES</b>		
<b>Income Category</b>	<b>Definition</b>	<b>Income Threshold Range</b>
Very Low Income	Up to 50% of median	<= \$27,950
Low Income	50 – 80% of median	\$ 27,951 – 44,720
Moderate Income	80 – 120% of median	\$ 44,721 – 67,080
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.

<b>TABLE 24.B.3 MONTHLY HOUSEHOLD COST THRESHOLD AMOUNTS</b>			
<b>Income Category</b>	<b>Annual Income</b>	<b>Monthly Income</b>	<b>Monthly Cost Thresholds</b>
Very Low Income	<= \$27,950	<=\$2,329	<= \$699
Low Income	\$ 27,951 – 44,720	\$2,330 – 3,727	\$700 – 1,118
Moderate Income	\$ 44,721 – 67,080	\$3,728 – 5,590	\$1,119 – 1,677
Source: Miami Economic Associates, Inc., Florida Administrative Code			

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** are based on the HUD standards promulgated in 2004, which were in force at the time of pre-application conference. The calculations performed to determine the utility costs by unit type shown below as well as the monthly rent threshold amounts shown in **Table 24-B.5** are provided in **Appendix 24-B.4**.

Table 24-B.4 Utility Cost Allowances	
Unit Type	Allowance
Efficiency	\$35
1-bedroom	\$44
2-bedrrom	\$58
3-bedroom	\$72
4-bedroom	\$87

Source: Miami-Dade County Housing Department

The monthly rent thresholds by income category are shown in **Table 24-B.5**:

Table 24-B.5 Affordable Monthly Rent Threshold Amounts		
Income Category	Monthly Cost Threshold Amount	Monthly Rent Threshold Amount
Very Low Income	<= \$699	<= \$655
Low Income	\$700 – 1,118	\$656 – 1,060
Moderate Income	\$1,119 – 1,677	\$1,061 – 1,590

Source: Miami Economic Associates, Inc.

#### 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			
Income Category	Monthly Cost Threshold Amount	Mortgage Payment	Affordable Home Cost
Very Low Income	<= \$699	<= \$456	<= \$82,450
Low Income	\$700 – 1,118	\$457 – 712	\$82,451 – 128,675
Moderate Income	\$1,119 – 1,677	\$713 – 1,052	\$128,676 – 190,347

Source: Miami Economic Associates, Inc.

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



- 30 year amortization
- 5.825 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 April 10, 2006.

The down payment assumption, which is based on the Methodology, would necessitate the purchase of mortgage insurance. The mortgage brokers interviews 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 Miami-Dade County. The rate of \$15/\$1,000 of insured value is the equivalent of \$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 21.3163 per \$1,000 taxable value in Miami-Dade County.

Further discussion of the method used to calculate the affordable housing costs shown in **Table 24-B.6** is provided in **Appendix 24-B.5**. 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**.

<b>Table 24-B.7</b>			
<b>Estimated Monthly Insurance and Tax Payments</b>			
<b>Income Category</b>	<b>Property Insurance</b>	<b>Mortgage Insurance</b>	<b>Taxes</b>
Very Low Income	\$82	\$55	\$102
Low Income	\$129	\$86	\$184
Moderate Income	\$190	\$127	\$294

Source: Miami Economic Associates, Inc.

Rental Housing Supply

Consistent with the timeframe in which the pre-application conference was held, we have reviewed the surveys of rental apartment projects in the Housing Supply Area conducted by The Meyers Group (now Hanley Wood Market Intelligence) in 1<sup>st</sup> Quarter, 2006. The Meyers Group survey focuses on rental apartment projects with 100 or more units. The projects surveyed that had vacant units are identified in **Appendix 24-B.6**.

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 were a total of 209 vacant apartment units within the Housing Supply Area in projects surveyed by The Meyers Group at the end of the 1<sup>st</sup> Quarter of 2006 that would have been 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, the allowable percentages for efficiency and 1-bedroom units in Miami-Dade County are 24.7 and 29.0 percent, respectively. The “Available Supply” shown in **Table 24-B.8** below was calculated by reducing the estimated number of vacant units to reflect the caps by unit type described above.

The Methodology provides the units developed within the Project being analyzed may be included in available housing supply. As discussed in response to **Question 24-A.3** above, 680 of the proposed rental units are expected to be affordable to moderate income households. It is further anticipated that the unit mix will be consistent with the size caps discussed in the preceding paragraph. Accordingly, these units have been included in the supply number presented below for moderate income units.

<b>TABLE 24-B.8 RENTAL APARTMENT SUPPLY</b>			
<b>Income Category</b>	<b>Monthly Rent Thresholds</b>	<b>Total Vacant Units</b>	<b>Available Supply</b>
Very Low Income	<= \$655	45	43
Low Income	\$656 – 1,060	123	101
Moderate Income	\$1,061 - \$1,590	721	721
<b>Total</b>		<b>889</b>	<b>865</b>

Sources: The Meyers Group; 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. Consistent with the timeframe in which the pre-application conference was held, the period from April 1, 2005 through March 31, 2006 was researched. As shown in **Table 24-B.9**, the County Property Appraiser recorded over 2,500 arm's-length transactions in the Housing Supply Area for units that meet the affordability requirements during the 12-month period indicated. These transactions are enumerated by folio number in **Appendix 24-B.7**.

As with the rental units discussed above, the Methodology imposes limits on the proportion of supply that can be comprised of efficiencies or one-bedroom units. In this regard, review of the materials contained **Appendix 24-B.7** shows the distribution of units by number bedrooms is that reflected in **Table 24B.9**. These percentages assume that all units for which information on the number of bedrooms is not available are comprised of less than 2 bedrooms. All of the units with less than 2 bedrooms are 1-bedroom units since there are no efficiency units shown in **Appendix 24-B.7**.

**Table 24-B.9  
Distribution of Units  
By Number of Bedrooms**

<b>Income Range</b>	<b>Units</b>	<b>Percent</b>
<u>Very Low Income</u>		
<u>1-bedroom</u>	<u>32</u>	<u>25.8</u>
<u>More than 1 bedroom</u>	<u>92</u>	<u>74.2</u>
<u>Total</u>	<u>124</u>	<u>100.0</u>
<u>Low Income</u>		
<u>1-bedroom</u>	<u>70</u>	<u>22.6</u>
<u>More than 1 bedroom</u>	<u>239</u>	<u>77.4</u>
<u>Total</u>	<u>309</u>	<u>100.0</u>
<u>Moderate Income</u>	<u>688</u>	<u>28.8</u>
<u>1-bedroom</u>	<u>1,703</u>	<u>71.2</u>
<u>More than 1 bedroom</u>	<u>2,391</u>	<u>100.0</u>

The Methodology requires that units with 2 bedrooms or more be equal to or greater than 46.3 percent. One-bedroom units can represent no more than 29 percent of the supply. Both requirements are met. Given the distributions of units by number of bedrooms shown in **Table 24-B.9** constitute available supply and are so considered in **Table 24-B.10** below.

<b>TABLE 24-B.10 OWNER-OCCUPIED (FOR-SALE) HOUSING SUPPLY</b>		
<b>Income Category</b>	<b>Home Price Threshold Amount</b>	<b>Available Supply</b>
Very Low Income	<= \$82,450	124
Low Income	\$82,451 – 128,675	309
Moderate Income	\$128,676 – 190,347	2,391
<b>Total</b>		<b>2,824</b>
Sources: Miami-Dade County Property Appraiser; First American Real Estate Solutions; Miami Economic Associates, Inc.		

### Available Affordable Housing Summary

**Table 24-B.11**, which is based on information contained in **Table 24-B.8** and **Table 24-B.10** 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.

<b>TABLE 24-B.11 NET AVAILABLE AFFORDABLE HOUSING UNITS</b>			
<b>Income Category</b>	<b>Rental Units</b>	<b>For-Sale Units</b>	<b>Total Units</b>
Available Units			
Very Low Income	43	124	167
Low Income	101	309	410
Moderate Income	721	2,391	3,112
Additions/(Reductions)	(5% Permanent Vacancy Rate)	(2.5 Percent Substandard Rate)	
Very Low Income	(2)	(3)	(5)
Low Income	(5)	(9)	(14)
Moderate Income	(36)	(53)	(89)
Net Available Units			
Very Low Income	41	121	162
Low Income	96	300	396
Moderate Income	685	2,238	2,023
<b>Total Net Available</b>	<b>822</b>	<b>2,659</b>	<b>3,581</b>
Source: Miami Economic Associates, Inc.			

### 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 Parkland DRI with the available supply.

<b>TABLE 24-B.11</b>			
<b>ESTIMATED SURPLUS (DEFICIT) OF AFFORDABLE HOUSING</b>			
<b>Income Category</b>	<b>Demand</b>	<b>Supply</b>	<b>Surplus (Deficit)</b>
Very Low Income	156	162	6
Low Income	267	396	132
Moderate Income	376	2,023	1,647
<b>Total</b>	<b>799</b>	<b>2,656</b>	<b>1,785</b>
<b>Source: Miami Economic Associates, Inc.</b>			

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.**

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