

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 WITHIN DEVELOPMENT (2005 Constant Dollars)						
Number of Dwelling Units						
Housing Cost*	Single Family	Apartment	Condo-minium	Mobile Home	Other**	Total
<u>Owner-occupied</u>						
\$150,000 – 250,000	0	0	3,248	0	0	3,248
\$250,000 – 350,000	0	0	0	0	2,436	2,436
\$325,000 – 550,000	<u>1,257</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,257</u>
Total	<u>1,257</u>	<u>0</u>	<u>3,248</u>	<u>0</u>	<u>2,436</u>	<u>6,941</u>

Source: Miami Economic Associates

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

** Other refers to townhouse (single-family attached) units.

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. A portion of the proposed for-sale units will be priced to provide workforce housing,.

- 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.
- The employee population within the medical office space 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 5th Edition of the ITE Manual indicated that the density of office workers per 1,000 square varies depending on the size of the building but that it is less than 4 per 1,000. Hence, the analysis contained herein is conservative.
- It is typically estimated that industrial space has a population of 1.25 to 1.5 workers per 1,000 square feet while office space typically has an occupancy factor of 4 workers per 1,000 square feet. Assuming the industrial/flex space is developed with 25 percent occupied with office uses, 75 percent with industrial uses, the on-site workforce would approximate 1,100 employees. This figure assumes 1.33 workers per 1,000 square feet for the industrial space and 4 per 1,000 square feet for office space.

- 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.

As shown in **Table 24-B.1**, between 793 and 812 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.1A shows the distributions of prospective workers in the commercial facilities at Parkland by industry sector using the bell curve approach. **Appendix 24-B.1B** shows the distributions formulated using the control number approach.

TABLE 24-B.1 DEMAND FOR AFFORDABLE HOUSING				
Land Use	Very Low Income	Low Income	Moderate Income	Total
Bell Curve Approach				
Retail/Retail	18	76	42	136
Retail/Restaurant	2	12	6	20
Retail/Personal Services	0	8	2	10
Office/Medical	17	64	45	126
Industrial/Professional Services	18	86	62	166
Industrial/Wholesale Trade	18	96	63	177
Hospital	18	96	63	177
Total	91	438	283	812
Control Number Approach				
Retail/Retail	85	23	16	124
Retail/Restaurant	23	0	0	23
Retail/Personal Services	13	3	1	17
Office/Medical	14	90	45	149
Industrial/Professional Services	2	17	114	133
Industrial/Wholesale Trade	3	47	112	162
Hospital	14	79	91	185
Total	155	259	379	793

Source: Miami Economic Associates, Inc.

In reviewing the distributions of workers by wage category presented in **Appendices 24-B.1A** and **24-B.1B**, 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 3rd 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 alternative 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 shown 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.2** provides field observations regarding travel times within the Housing Supply Area to the points designed “A”, “B”, and “C” on **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.

Income Category	Definition	Income Threshold Range
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

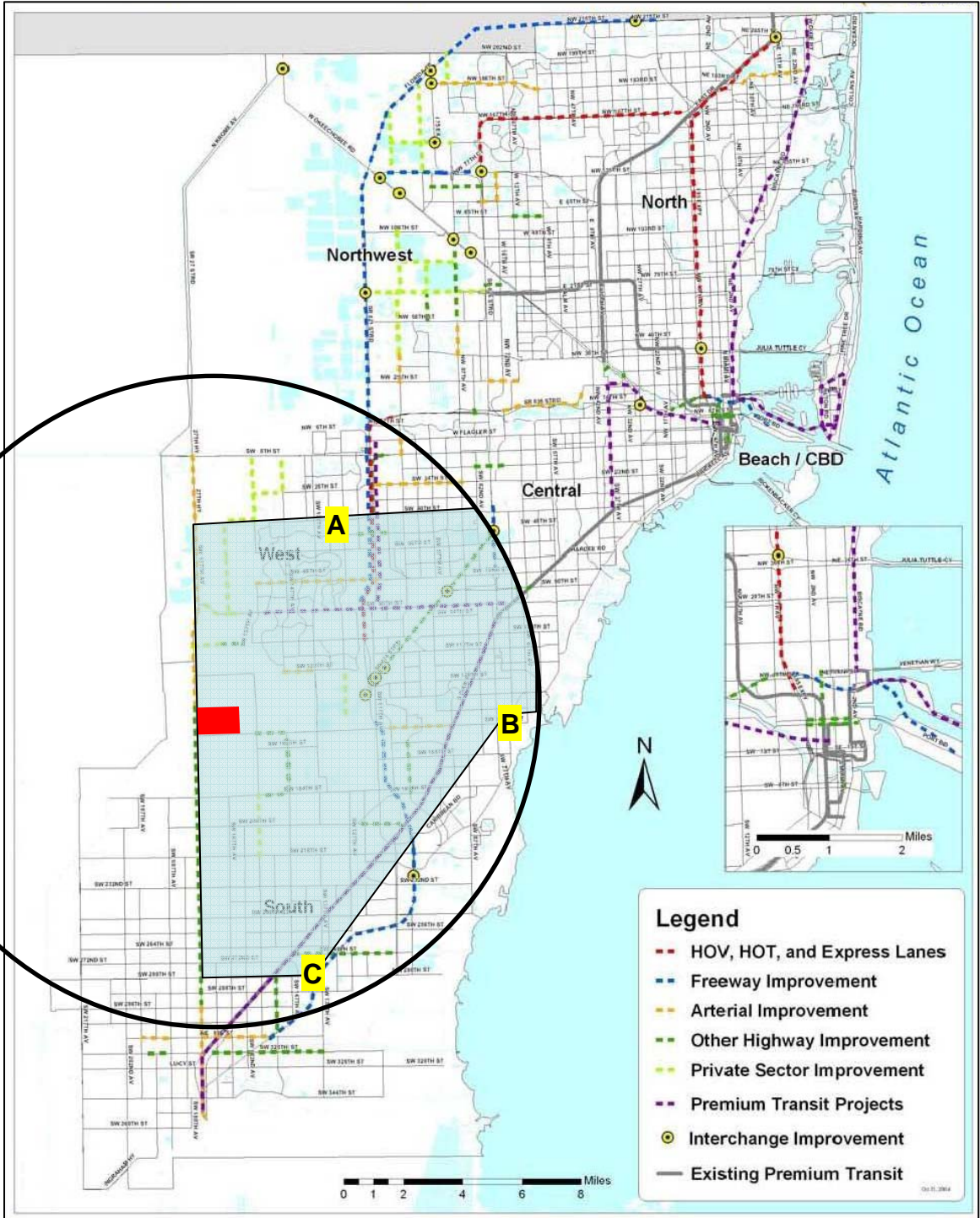
Source: U.S. Department of Housing and Urban Development

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.

Income Category	Annual Income	Monthly Income	Monthly Cost Thresholds
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



Legend




-  Site Location
-  Commute Shed (20-min. drive time)
-  10-mile radius

Figure 24-B.1
Commute Shed
Parkland
July 2006

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.3**.

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

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	<= \$81,048
Low Income	\$700 – 1,118	\$457 – 712	\$81,049 – 126,489
Moderate Income	\$1,119 – 1,677	\$713 – 1,052	\$126,490 – 187,112

Source: Miami Economic Associates, Inc.

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 December 31, 2004, which was the time frame specified in the methodology statement prepared for the pre-application conference.

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 21.1835 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.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			
Income Category	Property Insurance	Mortgage Insurance	Taxes
Very Low Income	\$81	\$54	\$108
Low Income	\$126	\$84	\$196
Moderate Income	\$187	\$125	\$313

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 1st 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.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 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 1st 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.

TABLE 24-B.8 RENTAL APARTMENT SUPPLY			
Income Category	Monthly Rent Thresholds	Total Vacant Units	Available Supply
Very Low Income	<= \$655	45	43
Low Income	\$656 – 1,060	123	101
Moderate Income	\$1,061 - \$1,590	41	41
Total		209	185
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.6**.

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. Review of the materials contained Appendix 24-B.6 shows that the number of such units within the total supply is well within those limits; hence, all of the units identified are included in available supply.

The Methodology provides that housing being developed within a DRI project can be included in estimate of available supply if appropriately priced. As shown in response to Question 24.A.1 above, it is anticipated that a portion of the units developed at the project will qualify as workforce housing, hence be affordable to households within the Moderate Income band. However, since a precise number is not known, such units have not been included in the table below.

TABLE 24-B.9 OWNER-OCCUPIED (FOR-SALE) HOUSING SUPPLY		
Income Category	Home Price Threshold Amount	Available Supply
Very Low Income	<= \$81,048	117
Low Income	\$81,049 – 126,489	283
Moderate Income	\$126,490 – 187,112	2,143
Total		2,543
Sources: Miami-Dade 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 **Table 24-B.8** and **Table 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			
Income Category	Rental Units	For-Sale Units	Total Units
Available Units			
Very Low Income	43	117	160
Low Income	101	283	384
Moderate Income	41	2,143	2,184
Additions/(Reductions)	(5% Permanent Vacancy Rate)	(2.5 Percent Substandard Rate)	
Very Low Income	(3)	(3)	(6)
Low Income	(5)	(7)	(12)
Moderate Income	(2)	(53)	(55)
Net Available Units			
Very Low Income	40	114	154
Low Income	96	276	372
Moderate Income	40	2,090	2,130
Total Net Available	176	2,380	2,556
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.

Income Category	Demand	Supply	Surplus (Deficit)
Very Low Income	155	154	(1)
Low Income	259	372	113
Moderate Income	379	2,130	1,751
Total	793	2,656	1,763

Source: Miami Economic Associates, Inc.

Mitigating the Need for Affordable Housing

Based on the results of the analysis presented above, no mitigation efforts are required. The Methodology stipulates that a deficit is not considered significant unless it exceeds 5 percent of the residential threshold for DRI's, or in the case of Miami-Dade County more than 300 units.

- 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.