

To: The Honorable Mayor and City Council

From: Maxine Calloway, Community Planning & Development Director

Date: February 12, 2013

Subject: Land Use Plan Amendment to Future Land Use Map – Conestoga Holdings

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, ADOPTING A SMALL SCALE LAND USE AMENDMENT TO THE CITY OF NORTH MIAMI COMPREHENSIVE PLAN FUTURE LAND USE MAP, FOR THE PROPERTY GENERALLY LOCATED ON THE NORTHWEST QUADRANT OF NORTHEAST 135TH STREET AND 6TH AVENUE, CONSISTING OF FIVE CONTIGUOUS LOTS TOTALING APPROXIMATELY 1.1 ACRES IN SIZE, FROM A MEDIUM DENSITY RESIDENTIAL LAND USE DESIGNATION TO A HIGH DENSITY RESIDENTIAL LAND USE DESIGNATION, AND TO EXPAND THE NEIGHBORHOOD REDEVELOPMENT OVERLAY (NRO) DISTRICT BOUNDARY, DEPICTED ON THE FUTURE LAND USE MAP, TO INCLUDE THE SUBJECT PROPERTY IN ORDER TO ALLOW FOR THE PROPOSED REDEVELOPMENT OF THE VACANT SITE, CONSISTENT WITH THE INTENT OF THE CITY'S COMPREHENSIVE PLAN; FURTHER AUTHORIZING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THE SUBJECT LAND USE AMENDMENT, AS REQUIRED BY FLORIDA LAW; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE.

RECOMMENDATION

That the City Council approves the proposed ordinance to amend the Comprehensive Plan, Future Land Use Map (FLUM) for the subject lots, from medium density residential to high density residential land use and expand the Neighborhood Redevelopment Overlay (NRO) District boundary, to include the subject lots.

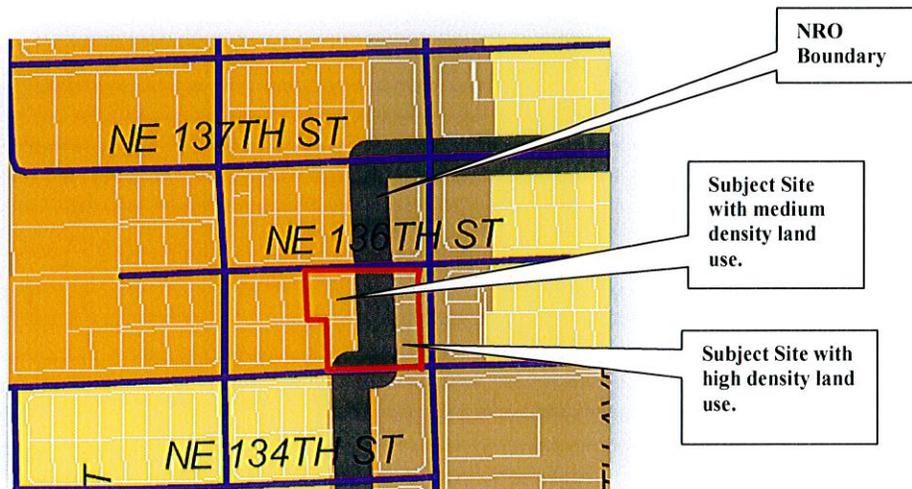
PLANNING COMMISSION RECOMMENDATION

At its meeting on January 17th, 2013 the Planning Commission (attended by Commissioners, Each, Castor, Ernst, Siefried, Prevatel and Harwitz) reviewed the proposed ordinance and engaged in a lengthy discussion regarding the potential impacts to the adjacent neighborhood west of the subject site. Although the Commission generally supported the idea of redeveloping the site, several concerns were expressed about establishing proper transition standards at the site plan level to buffer the proposed high density development from the surrounding low density neighborhood. The majority of the Board members were optimistic that the proposed text amendment would help to advance the development of the vacant site and possibly spur redevelopment in other blighted areas along NE 6th avenue . As such, the Planning

Commission rendered a vote of 5-1 recommending approval of the proposed ordinance. The one (1) dissenting vote was cast by Commissioner Harwitz.

PURPOSE & INTENT

The applicant, Conestoga Holdings owns 8 (eight) contiguous lots (i.e. lots 1,2,3,11, 12, 13, 14 and 15, Block 1, Smallwood Manor Subdivision). Of the 8, there are five (5) lots consisting of 47,993 square feet (or 1.1 acres) in size, which is a subset of the larger development containing approximately 91,476 square feet or 2.12 acres. The site currently has two different residential land use designations reflected on the FLUM.



Three (3) of the eight (8) lots (i.e. 15, 14 and 13) have a land use designation of high density residential and are located inside the City’s NRO District. However the remaining 5 lots (1,2,3,11 and 12) have a land use designation of medium density residential and are located outside the NRO boundary. The applicant filed a Small Scale Land Use Amendment Application with the Community Planning & Development Department on December 12, 2012 requesting to amend the future land use designation of the five (5) subject lots from medium density to high density residential land use, in an effort to homogenize the land use designation across the entire site. Additionally the applicant is requesting that the City expands the western boundary of the NRO to include the 5 subject lots in order to take full advantage of the bonuses and incentives across the entire development as opposed to a portion of the development as is currently the case.

BACKGROUND INFORMATION

The site is predominantly vacant, situated along two major corridors (NE 6th Avenue and NE 135 Street) and is partially located inside the City’s NRO, an area initially established in the Comprehensive Plan as an urban core “to direct growth in a manner to achieve redevelopment, economic development, housing choice and multimodal transportation objectives...”. To that end, Policy 1.12.2 of the Comprehensive plan encourages mixed use along the major corridors within the NRO such as NE 6th Avenue and NE 135 Street. The applicant proposes to partner with Carfour Supportive Housing to construct a mixed use complex to include residential, community use and retail/office use. The applicant envisions the residential portion being created mainly for elderly veterans and the other complimentary uses serving the residents as well as the surrounding community.

Subject Site



ANALYSIS

Per Article 3, Section 3-1105 of the City’s Land Development Regulations all requests for amendments to the City’s Comprehensive Plan (Future Land Use Map) must satisfy the following minimum criteria:

- 1. Whether the application specifically advances any goal, objective or policy of the Comprehensive Plan:**

The proposed application is consistent with the goals, objectives and policies of the Comprehensive Plan, specifically Policy 9.4.6 which requires that the City “Create land use designations and zoning regulations that encourage the retention, attraction and expansion of business and industry”. Additionally policy 9.4.2 requires that the City “Introduce employment generating uses along major transportation corridors. Ensuring that employment generating land uses are compatible with

neighborhood character through revisions in development regulations and permit review requirements.”

The proposed request would allow for the development of a mixed use project along a major city corridor with the potential to create new housing, community facilities and future jobs for City residents.

b. **Its effect on the level of service of public infrastructure;**

Traffic

The subject site is located at NE 6th Avenue and NE 135 Street, both classified as State owned (FDOT) arterial roads. The City’s Transportation Master Plan indicates that one of the roadway segments that provides access to the property (NE 135 Street) is operating at a level of service (LOS) F. It should be noted that Policy 2A 1.1 of the City’s Comprehensive Plan requires that all roadways in the City shall operate at or above LOS standard E. Additionally the city of North Miami is designated as a Transportation Concurrency Exemption Area and Objective 2A.2 and Policy 2A.2.7 of the City Comprehensive Plan requires that the City actively pursue multimodal strategies to encourage a more pedestrian oriented environment that promotes walking, bicycling and public transit usage. With an anticipated increase in traffic generated from the site staff believes that the proposed land use plan amendment would cause further decline in the roadway LOS which is already below the minimum requirement. The applicant has proposed multi modal transportation alternatives such as bicycle parking, public transportation and carpooling to alleviate the added traffic anticipated from the site and potentially maintain if not reduce the LOS.

Water & Sewer Impact

The development is currently serviced by the Winston Water Treatment Plant. Based on the City’s recently adopted Water Supply Plan, the Plant has an average capacity of 10 million gallons per day (MGD) and a current demand of approximately 15.77 MGD, resulting in a shortfall of 5.77 MGD which is satisfied by water purchased from Miami Dade County at a rate of 9.3 MGD (resulting in a total water supplied to North Miami’s service area at the rate of 19.3 MGD). **Leaving the City with a surplus of 3.53 MGD.**

Based on Policy 4D.2.6 of the Comprehensive Plan in order to measure the impact of rezoning or land use changes on potable water facilities, the following standard generation rates shown in **Table 1** below shall be utilized:

Table 1

<ol style="list-style-type: none"> 1. Single family detached dwelling: 350 gallons per day. 2. Single-family attached dwelling: 300 gallons per day 3. Multi-family dwelling unit: 425 gallons per acre per day plus: <ul style="list-style-type: none"> ▪ Each one bedroom unit: 85 gallons per day per unit ▪ Each two bedroom unit: 125 gallons per day per unit ▪ Each three bedroom unit: 165 gallons per day per unit ▪ Each four or more bedroom unit: 205 gallons per day per unit ▪ When the bedroom mix is unknown, the three-bedroom generation rate shall be utilized. 4. Commercial and nonresidential Community Facility uses: 10 gallons per 100 sf of GFA per day 5. Industrial uses: 10 gallons per 100 sf of GFA per day

Based on the information provided the R-6 zoning would allow 53 multifamily units, as of right, which is anticipated to consume approximately 9638 gallons per day (residential use) plus 2000 gallons per day from the proposed 20,000 square footage of non residential space. If the applicant builds 191 units the consumption is anticipated to be 32,408 gallons per day.

Policy A.2.1 of the Comprehensive Plan requires that all development approvals require developers to upgrade the capacity of the existing system or build new system to meet the needs of the new development.

Based on staff's analysis staff believes the City has sufficient water and sewer capacity to accommodate the proposed redevelopment and will not cause a decline in the established LOS.

Based on the public facilities impact analysis, staff finds that the proposed land use plan amendment would not have an adverse impact on the City's public facilities.

c. its effect on environmental resources;

The proposed land use plan amendment is not anticipated to have adverse impacts on the City's environmental resources. Per Section 5-805 of the City's LDR all new construction is required to incorporate LEED standards or the City's alternative green standards as part of its new development in order to support the City's environmental initiatives. The applicant proposes to construct a United States Green Building Council (USGBC) LEED Silver designation building with energy saving fixtures to minimize the water and electric consumption of the future development.

d. its effect on hurricane evacuation;

Policy 5A.3.1 of the Comprehensive Plan requires that the City "review of development proposals within the coastal planning area shall consider vehicular accessibility and internal circulation patterns to minimize the time required to evacuate the coastal planning area. The subject site is not located in the Coastal Planning area and is not anticipated to interfere with hurricane evacuation.

e. Its effect on the availability of housing that is affordable to people who work in the City of North Miami;

The attached Housing Need Assessment dated 1/15/2013 prepared by Strategic Planning Group indicates that the City currently has a need for quality affordable/workforce housing. Based on US Department of Commerce data, "the City of North Miami continues to have an affordable housing problem made worse by tight credit requirements that limit the ability of households to take advantage of historic low interest rates. The impact of the "Great Recession", particularly the record foreclosures and short sales, has significantly impacted household credit ratings. Furthermore, a significant portion of households are still underwater, meaning they owe more than their home are currently valued, thereby limiting their ability to move and secure new homes. The impact has created a large demand for rental housing, which SPG feels will continue for the remainder of the decade. Should interest rates begin to increase in the coming years; the affordability gap will significantly increase and along with it an increased demand for rental housing."

This impact is felt not only in the traditional very low, low and moderate HUD category but is equally as strong within the "workforce" housing segment (80-140% MFI). The private sector cannot develop residential product for the 60% or less AMI household without assistance and housing subsidies. Furthermore the private sector is also finding it difficult to fund housing product for moderate to workforce housing (80%-120% AMI) due to tight bank lending policies and also require public sector incentives and subsidies.

The applicant has indicated that the majority of the proposed units will be marketed as affordable housing intended to serve elderly veterans many of whom are considered lower income with average incomes between 28% to 60% of the area median income (AMI) or around \$12,824 to \$27,480 for a family of one. As such, the proposed development will be partnering with Carfour Supportive Housing in order to provide a brand new affordable housing development to North Miami. In addition, staff has required and the applicant has agreed to "set aside" twenty five (25%) percent of the units as workforce housing for individuals earning up to 120% AMI with a floor of no less than 60% .

Any other effect that City staff determines is relevant to the City Council's decision on the application;

If approved, the applicant has agreed to record a declaration of restrictive covenant to ensure first preference is given to North Miami residents who are on the City's Neighborhood Stabilization Program (NSP) waiting list. . In addition, the applicant will include in the restrictive covenant the requirement to maintain the affordable/workforce housing for a term not less than twenty (20) years. The applicant will also "set aside" twenty five (25%) percent of the units as workforce housing for individuals earning up to 120% AMI with a "floor" no less than 60% area median income.

f. Physical suitability for the use permitted in the proposed district;

The proposed land use plan amendment from medium to high density designation and expansion of the western boundary of the NRO District is suitable for the proposed mixed use development.

g. Is compatible with the surrounding areas, zoning designations(s) and existing uses.

The property is abutting or adjacent to the following uses (see attached map):

Surrounding Zoning

N: R-6, Multifamily Residential
S: R-6, Multifamily Residential
E: R-6, Multifamily Residential
W: R-5, Multifamily Residential

Surrounding Land Use

N: High Density Residential
S: High Density Residential
E: Low Density Residential
W: Medium Density Residential

The predominant character of the neighborhood is multi-family residential in nature.

h.. Promote high-quality development or redevelopment in an area that is experiencing declining or flat property values;

The attached Housing Need Assessment dated 1/15/2013 indicates that “the overall retail market is being served by existing stores within the West Dixie 3-mile service area. Therefore, the development’s proposed retail space will depend largely on the tenants of the proposed project and its ability to capture convenience/neighborhood related (1-mile) that is currently being satisfied elsewhere.” Suggested convenience/neighborhood retail uses include pharmacies, minimarts, dry cleaners, restaurants, etc.

The proposed land use plan amendment supports the future growth and development of business industry along two of the City’s major corridors by providing an environment that allows for the retention and expansion of existing and future businesses.

i. Will not cause a diminution of the market value of adjacent property or materially diminish the suitability of adjacent property for its existing or approved use.

The proposed land use plan amendment supports the future growth and development of the City's urban core by providing an environment that allows for revitalization of a currently declining corridor into a viable development and improve the image of one of North Miami's major thoroughfares. As such, it is staff's opinion that the proposed development would have a positive effect on the market value of adjacent properties as opposed to the effects the vacant lot would have.

B. Limitations regarding the use, density or intensity which will be permitted on the parcel proposed for development in order to achieve compliance with the standards of this section. Such limitations shall be offered by a restrictive covenant or declaration of use that is provided to the City in recordable form acceptable to the City Attorney.

If approved, the applicant has agreed to record a declaration of restrictive covenant to ensure first preference is given to North Miami residents. Said residents will be selected from the City's Housing Division's current Neighborhood Stabilization Program (NSP) Rental Waiting List. In addition, the restrictive covenant will include the requirement to maintain the affordable/workforce housing for a term not less than twenty (20) years. In addition, at least 25% of the units built will be made available for "workforce" housing for income levels up to 120% AMI, but not less than 60% AMI.

CONCLUSION

Based on our analysis, staff is of the opinion that the proposed land use amendment is consistent with the requirements of Chapter 163, F.S. and is in keeping with the goals objectives and policies of the City's adopted Comprehensive Plan. Therefore the Community Planning and Development Department **requests that the City Council approves the attached ordinance amending the Comprehensive Plan (Future Land Use Map) of the subject property from Medium Density to High Density land use and expand the NRO boundary line subject to the following conditions:**

1. Submit a draft declaration of restrictive covenant to include the restrictions outlined above, to the office of the City Attorney at least 30 days from final Council approval date for review prior to final recordation. The applicant will also furnish a copy of the recorded document to the Director of Community Planning & Development once the instrument has been recorded with the County.
2. The applicant shall consolidate all 8 lots as well as any abandoned alleyways in the proposed development through a waiver of plat and submit said waiver and supporting application to the office of Community Planning and Development for Council approval prior to final recordation. The applicant will also furnish a copy of the recorded waiver of plat to the Director of Community Planning & Development once it has been recorded with the County.
3. The applicant is required to obtain site plan review and approval for the proposed new development prior to obtaining final building permits. As such the applicant shall contact the City's Zoning Administrator in order to obtain submittal instructions and subsequently file a site plan application.

TS/mc

- Attachments:
1. Proposed Ordinance
 2. Location Map & Survey
 3. Partial Land Use Map
 4. Letter of intent
 5. Housing Need Assessment dates 1/15/2013

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, ADOPTING A SMALL SCALE LAND USE AMENDMENT TO THE CITY OF NORTH MIAMI COMPREHENSIVE PLAN FUTURE LAND USE MAP, FOR THE PROPERTY GENERALLY LOCATED ON THE NORTHWEST QUADRANT OF NORTHEAST 135TH STREET AND 6TH AVENUE, CONSISTING OF FIVE ADJACENT LOTS TOTALING APPROXIMATELY 1.1 ACRES IN SIZE, FROM A MEDIUM DENSITY RESIDENTIAL LAND USE DESIGNATION TO A HIGH DENSITY RESIDENTIAL LAND USE DESIGNATION, AND TO EXPAND THE NEIGHBORHOOD REDEVELOPMENT OVERLAY (NRO) DISTRICT BOUNDARY, DEPICTED ON THE FUTURE LAND USE MAP, TO INCLUDE THE SUBJECT PROPERTY IN ORDER TO ALLOW FOR THE PROPOSED REDEVELOPMENT OF THE VACANT SITE, CONSISTENT WITH THE INTENT OF THE CITY COMPREHENSIVE PLAN; FURTHER AUTHORIZING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THE SUBJECT LAND USE AMENDMENT, AS REQUIRED BY FLORIDA LAW; PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the Florida Legislature adopted Chapter 163, Local Government Comprehensive Planning and Development Regulation Act, which requires the City of North Miami (“City”) to adopt and enforce a comprehensive plan; and

WHEREAS, Section 163.3187(1)(c), Florida Statutes, allows local governments to periodically make small scale land use amendments to their Comprehensive Plan, Future Land Use Map (“FLUM”), if the proposed amendment does not exceed ten (10) acres and the cumulative annual effect of the acreage for all adopted small scale amendments does not exceed one hundred twenty (120) acres; and

WHEREAS, the subject property, consisting of 47,993 square feet (or 1.1 acres) in size, generally identified by Public Records of Miami-Dade County, Florida, as Lots 1, 2, 3, 11, and 12 of Block 1, Smallwood Manor Subdivision, is a subset of a larger development containing approximately 91,476 square feet or 2.1 acres, which contains two (2) different residential land use designations, reflected as medium and high density on the FLUM (“Subject Property”); and

WHEREAS, Conestoga Holdings LLC (“Applicant”), has filed an application for a Small Scale Land Use Plan Amendment to change the use of the Subject Property from Medium

Density Residential to High Density Residential land use, in order to homogenize the uses upon the Subject Property and create the first mixed-use complex along the existing corridor; and

WHEREAS, Policy Section 9.4.6 of the City Comprehensive Plan (“Comprehensive Plan”) requires that the City “create land use designations and zoning regulations that encourage the retention, attraction and expansion of business and industry”; and

WHEREAS, the proposed application is consistent with the Comprehensive Plan by encouraging mixed use along major corridors within the Neighborhood Redevelopment Overlay (NRO) District, and promote redevelopment that will enhance the public’s health, safety and welfare of the City; and

WHEREAS, the Planning Commission, after a duly noticed public hearing held on January 17, 2013, found the application to be consistent with the goals, policy and objectives of the Comprehensive Plan and recommended the adoption of the proposed Small Scale Land Use Plan Amendment to the Mayor and City Council; and

WHEREAS, the Mayor and City Council, find that the adoption of the proposed Small Scale Land Use amendment to the Future Land Use Map is consistent with the Comprehensive Plan and in the best interest of the City, and thereby, further authorize the City Manager to do all things necessary to effectuate the amendment, as required by Florida law.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, THAT:

Section 1. Subject Property. The property legally described in the attached “Exhibit 1”, according to the Public Records of Miami-Dade County, Florida, is hereby re-designated from Medium Density Residential to High Density Residential land use designation.

Section 2. Authority of City Manager. The City Manager is hereby authorized to do all things necessary to effectuate the subject land use amendment as required by Florida law.

Section 3. Conflicts. All ordinances or parts of ordinances in conflict or inconsistent with the provisions of this Ordinance are hereby repealed.

Section 4. Severability. The provisions of this Ordinance are declared to be severable, and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it

being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 5. Effective Date. This Ordinance shall not become effective until thirty-one (31) days after adoption on second reading, if not otherwise challenged.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, on first reading this _____ day of _____, 2013.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, on second reading this _____ day of _____, 2013.

ANDRE D. PIERRE, ESQ.
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

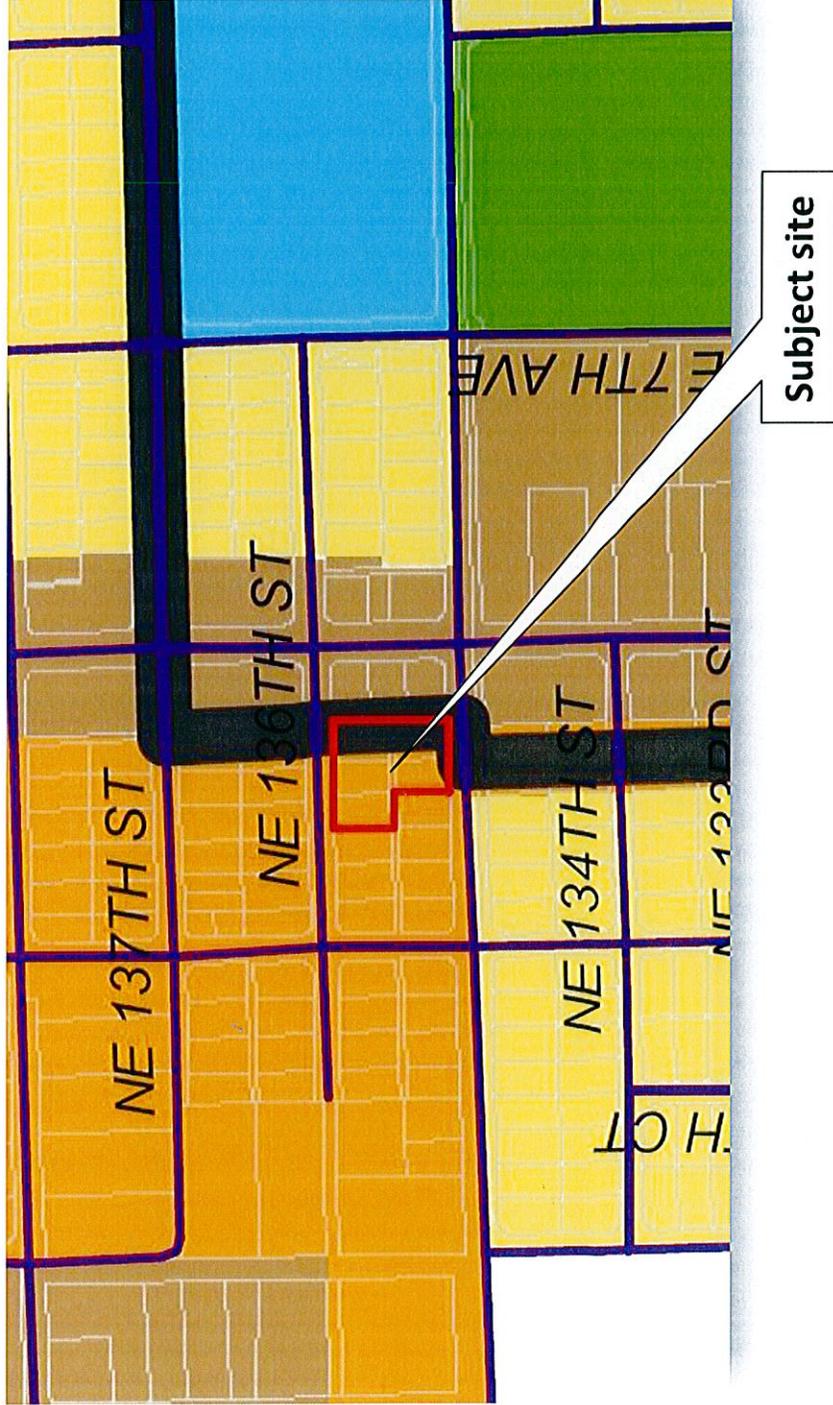
Vote:

Mayor Andre D. Pierre, Esq.	_____ (Yes)	_____ (No)
Vice Mayor Marie Erlande Steril	_____ (Yes)	_____ (No)
Councilperson Michael R. Blynn, Esq.	_____ (Yes)	_____ (No)
Councilperson Scott Galvin	_____ (Yes)	_____ (No)
Councilperson Jean R. Marcellus	_____ (Yes)	_____ (No)

Additions shown by underlining. Deletions shown by ~~overstriking~~.

Land Use Plan Amendment Request
for lots 1, 2, 3, 11, and 12 from Medium Density to High Density residential

Partial Future Land Use Map of Surrounding Area



JOHN C. DELLAGLORIA, P.A.

ADMITTED TO PRACTICE IN NY AND FL

December 12th, 2012

Ms. Maxine Calloway
Director, Community
Planning and Development
City of North Miami, Fl. 33161

RE: N.E. 135th St and N.E. 6th Ave.

Dear Ms. Calloway,

This letter accompanies the application regarding the property at N.E. 135th St. and N.E. 6th Ave. As you know, we have held several conversations regarding the mixed-use development of the property. One possible developer is Carrfour Supportive Housing, Inc., which has been part of the discussions with the City.

Based on our conversations, the application addresses four matters:

1. A re-zoning of all the lots comprising the property to a designation of R-6.
2. Necessary amendments to the Zoning Code and Comprehensive Plan.
3. Alleyway vacation.
4. Conditional Use for approximately 200 residential units.

As the property is comprised of 8 lots, there is attached to the application: (i) the 6 real estate tax bills showing the legal descriptions and the folio numbers of the property currently owned by the applicant. (ii) as we have also discussed, there are two additional lots that will be added in the event that we exercise the options for their acquisition and inclusion in this application. Attached are copies of the first pages of the option purchase and sale contracts, showing the addresses and folio numbers. The mailing labels are inclusive of all 8 properties.

JOHN C. DELLAGLORIA, P.A.

ADMITTED TO PRACTICE IN NY AND FL

It is anticipated that Carrfour will have the one or more of the following types of low income residential tenants:

- (1) Elderly Independent Living
- (2) Formally Homeless
- (3) Military Veterans

Priority will be given to residents of the City. Background checks and drug tests will be part of the tenant application process.

As for potential commercial/office uses, the following are being considered:

- (1) Community Service Space, consisting of: a library; a computer lab; meeting rooms; a gymnasium, and administrative offices
- (2) Grocery store; pharmacy; day care; medical facility; job training center or a farmer's market.

At this time, we are requesting that this application be heard at the January 10th meeting of the Planning Board. The application package includes the required copies of a map of the property, mailing labels and plat.

We are appreciative of the cooperation shown to us by you and your staff, and we are always available for meetings and to provide any additional information you need.

Sincerely,



John C. Dellagloria

C: Tanya Wilson-Sejour, City Planner
Jack Yoches
Paola Roman
Gary Cohen

North Miami Affordable/Workforce Housing Needs Assessment



Strategic Planning Group, Inc

830-13 North A1A, Suite 402
Ponte Vedra Beach, FL. 32082

www.spginc.org

1/15/2013

TABLE OF CONTENTS

Table of Contents 1

Introduction 2

General Limiting Conditions 2

Project Description 2

Location 3

 Project 3

 Region of Influence 5

North Miami Socio-economic profile 6

 Population 6

 Age, Ethnicity, Income 6

 Age 6

 Ethnicity 7

 Income 8

 Employment Centers 8

Housing Overview 9

 Existing Housing Characteristics 9

 Housing Tenure 9

 North Miami Household Overview 11

 Elderly Households 12

 Housing Age 12

 Rental Housing Costs 13

 Affordable Housing (Costs above HUD Affordability Threshold) 14

 Existing Supply of Rental Housing 15

 Existing Affordability Issues 15

Existing Affordability GAP 16

Mixed Use Analysis 17

Conclusions and Findings 17

INTRODUCTION

Strategic Planning Group, Inc. was retained by the City of North Miami and Conestoga Holdings to prepare an Affordable/Workforce Housing Assessment for Conestoga Holdings proposed 191 residential rental units/mixed use development to be located at the intersection of NE 6th Avenue and NE 135th Street, North Miami.

The purpose of this report/analysis is to determine if the City has a need for affordable/workforce housing and whether according to Section 4-405 (D) (8) of the City's Land Development Code, the proposed project is eligible for density bonuses.

GENERAL LIMITING CONDITIONS

Strategic Planning Group, Inc. does not warrant this report for use other than by Conestoga Holdings and the North Miami Planning Department and assumes no responsibility for secondary use of this study or information contained here within by third parties.

Although data, assumptions, and other information used in this study and analysis is believed to be factual, evaluations and projections are subject to a number of variables and unforeseen factors such as major economic changes or shifts in local, regional, national or global economies.

Accordingly, while the forecasts and projections have been prepared in accordance with acceptable techniques consistent with available information, Strategic Planning Group, Inc. cannot guarantee their attainment.

We wish to note however, the study and conclusions represent the best judgment of the consultant, based on information compiled and evaluated within the scope of the Agreement with the Client for this project.

PROJECT DESCRIPTION

As currently planned, the mixed use development will be built in two phases and contain up to 191 units. Table 1 and 2 show the proposed bedroom mix as well as 3,000 sq ft of proposed retail space.

Table 1: Phase One Development

Ph I - RESIDENTIAL UNITS			
Floor	1 bd	2bd	3bd
1	-	-	-
2	3	5	-
3	3	5	-
4	3	5	-
5	6	6	-
6	2	4	4
7	2	4	4
8	2	4	4
9	2	4	4
10	2	4	4
11	2	4	4
Total	27	45	24
%	28%	47%	25%
Ph I -NON RESIDENTIAL SF			
LOBBY/ COMMON AREA			8000 SF
RETAIL			3000 SF

Table 2: Phase Two

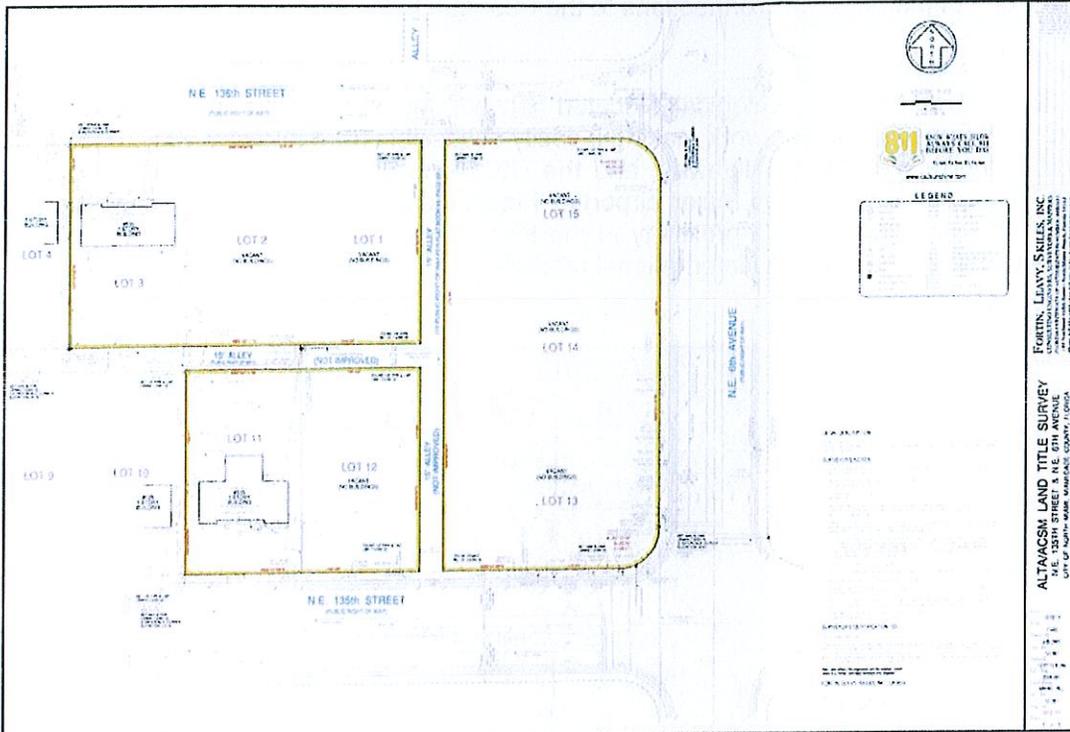
Ph II - RESIDENTIAL UNITS			
Floor	1 bd	2bd	3bd
1	-	-	-
2	2	4	2
3	2	4	2
4	2	4	2
5	2	4	2
6	4	5	3
7	4	5	3
8	4	5	3
9	4	5	3
10	4	5	3
Total	28	41	23
%	30%	45%	25%
Ph II -NON RESIDENTIAL SF			
LOBBY/ COMMON AREA			9000 SF

LOCATION

Project

The proposed development is located on the west side of NE 6th Avenue between NE 135th Street and NE 136th Street.

Figure 1: Project Survey



Source: City of North Miami Community Planning & Development Dept.

Figure 2: Project Site Location

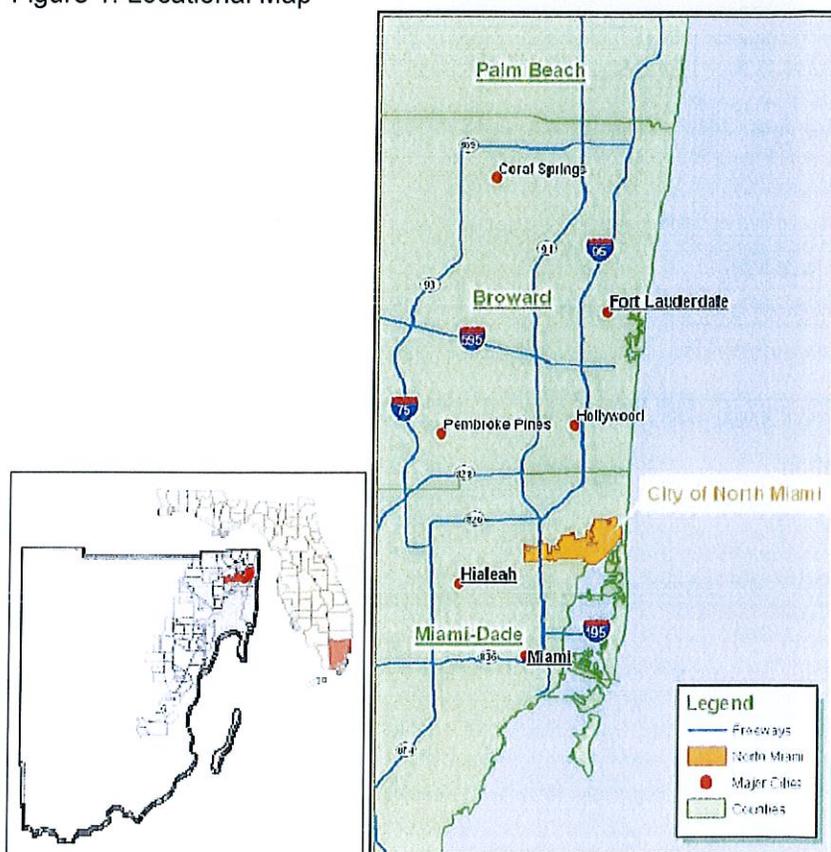
Source: Google Earth, Strategic Planning Group, Inc.

The site is well located near employment centers and public transit¹. Furthermore, NE 135th Street provides one of the few direct connections to the I-95, due to limited Biscayne Canal crossings.

Region of Influence

The City of North Miami is strategically located between Miami and Fort Lauderdale. It is served by an excellent transportation network making it easily accessible from Interstate 95, US Highway 1, the Florida Turnpike, West Dixie Highway, and the US Highway 441. North Miami is less than a 30-minute drive from Florida's two major airports - Fort Lauderdale/Hollywood International and Miami International. It is also in close proximity to the Port of Miami and Port Everglades, both important gateways to major national and international markets.

Figure 1. Locational Map



Source: Strategic Planning Group, Inc.

The City forms is rectangular in shape, comprising, according to the United States Census Bureau, a total area of 10.0 square miles (26 km²) of which 8.5 square miles (22 km²) of it is land and 1.5 square miles (3.9 km²) of it (15.32%) is water.

The City of North Miami is bisected north and south by Interstate 95 (the major north-south highway), and N.W. 7th Avenue on the west, and on the east by 6th Avenue, West Dixie Highway and Biscayne Boulevard. The City has limited east-west corridors with only 135th Street (SR 926) completely

¹ Based on information from the Planning Department

traversing the City. NE 125th Street (SR 922) provides access primarily from I-95 eastward where it converges with NE 123rd Street and the Broad Causeway providing direct access to the affluent beach communities. Finally, NW 119th Street (SR 924) provides access from the west to just beyond I-95 to the east.

It appears that a significant amount of traffic on the City's major arterials, i.e. NE 135th is through traffic generated from outside the City.

Figure 2. City of North Miami Boundaries/Site Location

NORTH MIAMI SOCIO-ECONOMIC PROFILE

Population

The City of North Miami is virtually built-out with only a limited amount of vacant land available for development. Census estimates place the population of the City at 58,786² in 2010, a decline of 1,094 since 2000.

Age, Ethnicity, Income

Age

The median age of the City's residents is 34.4 years which is lower than both Miami-Dade's (35.6 years) and the State of Florida (40.7 years), based on the 2010 US Decennial Census. As shown in Table 3, approximately 13% of the City's population is aged 62 or over.

² The 2011 American Community Survey estimates that City had a 2011 population 58,995 but with an error of +/- 62.

Table 3: North Miami Resident Age Distribution

AGE	Number	Percent
Total population	58,786	100.0
Under 5 years	4,052	6.9
5 to 9 years	3,720	6.3
10 to 14 years	3,774	6.4
15 to 19 years	4,655	7.9
20 to 24 years	5,281	9.0
25 to 29 years	4,485	7.6
30 to 34 years	3,900	6.6
35 to 39 years	3,919	6.7
40 to 44 years	4,048	6.9
45 to 49 years	4,150	7.1
50 to 54 years	4,312	7.3
55 to 59 years	3,811	6.5
60 to 64 years	2,744	4.7
65 to 69 years	1,956	3.3
70 to 74 years	1,447	2.5
75 to 79 years	1,061	1.8
80 to 84 years	771	1.3
85 years and over	700	1.2
Median age (years)	34.4	(X)
16 years and over	46,490	79.1
18 years and over	44,828	76.3
21 years and over	41,439	70.5
62 years and over	7,453	12.7
65 years and over	5,935	10.1

Source: US Department of Commerce 2010 Decennial Census

Ethnicity

The City of North Miami has a much diversified ethnicity. As of 2011, it is estimated that 58.6% of its residents are Black or African American, 34.2% are White, 2% Asian and 6.1% Some Other Race. Hispanics, of any race, account for 28.4% of the City's residents.

Table 4: North Miami Ethnicity - 2011

Ethnicity	North Miami city, Florida			
	Estimate	Margin of	Percent	Percent
Race alone or in combination with one or				
Total population	58,995	+/-62	58,995	(X)
White	20,157	+/-1,476	34.2%	+/-2.5
Black or African American	34,586	+/-1,270	58.6%	+/-2.2
American Indian and Alaska Native	242	+/-193	0.4%	+/-0.3
Asian	1,241	+/-416	2.1%	+/-0.7
Native Hawaiian and Other Pacific	0	+/-104	0.0%	+/-0.1
Some other race	3,615	+/-1,036	6.1%	+/-1.8
HISPANIC OR LATINO AND RACE				
Total population	58,995	+/-62	58,995	(X)
Hispanic or Latino (of any race)	16,726	+/-1,297	28.4%	+/-2.2
Mexican	848	+/-435	1.4%	+/-0.7
Puerto Rican	2,629	+/-674	4.5%	+/-1.1
Cuban	3,965	+/-871	6.7%	+/-1.5
Other Hispanic or Latino	9,284	+/-1,182	15.7%	+/-2.0
Not Hispanic or Latino	42,269	+/-1,295	71.6%	+/-2.2
White alone	7,558	+/-849	12.8%	+/-1.4
Black or African American alone	33,118	+/-1,282	56.1%	+/-2.2
American Indian and Alaska Native	2	+/-4	0.0%	+/-0.1
Asian alone	1,042	+/-399	1.8%	+/-0.7
Native Hawaiian and Other Pacific	0	+/-104	0.0%	+/-0.1
Some other race alone	58	+/-56	0.1%	+/-0.1
Two or more races	491	+/-271	0.8%	+/-0.5
Two races including Some other race	32	+/-39	0.1%	+/-0.1
Two races excluding Some other	459	+/-269	0.8%	+/-0.5

Source: US Census, American Community Survey 2007-2011, DP05: ACS DEMOGRAPHIC AND HOUSING ESTIMATES; Strategic Planning Group, Inc.2013

Income

The City's median 2011 household income was \$37,792, increasing from \$29,778 in 2000. Approximately 1/3 of all households earn less than \$25,000.

Table 5: North Miami Household Income - 2011

INCOME (IN 2011 INFLATION-ADJUSTED DOLLARS)	Estimate	Margin of Error	Percent	Percent Margin of
Total households	18,120	+/-580	18,120	(X)
Less than \$10,000	1,495	+/-299	8.3%	+/-1.6
\$10,000 to \$14,999	1,355	+/-274	7.5%	+/-1.4
\$15,000 to \$24,999	3,024	+/-430	16.7%	+/-2.2
\$25,000 to \$34,999	2,521	+/-383	13.9%	+/-2.1
\$35,000 to \$49,999	2,877	+/-369	15.9%	+/-2.0
\$50,000 to \$74,999	2,941	+/-420	16.2%	+/-2.4
\$75,000 to \$99,999	1,847	+/-297	10.2%	+/-1.6
\$100,000 to \$149,999	1,394	+/-244	7.7%	+/-1.3
\$150,000 to \$199,999	394	+/-115	2.2%	+/-0.6
\$200,000 or more	272	+/-100	1.5%	+/-0.5
Median household income (dollars)	37,792	+/-1,926	(X)	(X)
Mean household income (dollars)	53,569	+/-2,809	(X)	(X)

Source: US Census, American Community Survey 2007-2011, DP03: SELECTED ECONOMIC CHARACTERISTICS; Strategic Planning Group, Inc.

Employment Centers

The City's major employment centers are located along its five major arterials including Biscayne Boulevard, Dixie Highway, NE 6th Avenue, 125th Street, (which includes Downtown), NW 7th Avenue and NW 119th Street.

Service occupations make up the largest segment (30.5%) of resident employment, followed by sales and office occupations (25.6%), management business, science and arts (21.5%), production, transportation and material moving (13.9%) and natural resources and construction (8.5%).

Table 6: North Miami Resident Occupations

OCCUPATION	Estimate	Margin of Error	Percent	Percent Margin of
Civilian employed population 16 years	27,437	+/-1,083	27,437	(X)
Management, business, science, and	5,908	+/-560	21.5%	+/-1.9
Service occupations	8,356	+/-765	30.5%	+/-2.4
Sales and office occupations	7,037	+/-783	25.6%	+/-2.7
Natural resources, construction, and	2,331	+/-449	8.5%	+/-1.6
Production, transportation, and material	3,805	+/-562	13.9%	+/-2.0
INDUSTRY				
Civilian employed population 16 years	27,437	+/-1,083	27,437	(X)
Agriculture, forestry, fishing and hunting,	169	+/-166	0.6%	+/-0.6
Construction	1,838	+/-389	6.7%	+/-1.4
Manufacturing	1,309	+/-320	4.8%	+/-1.2
Wholesale trade	812	+/-264	3.0%	+/-1.0
Retail trade	3,755	+/-635	13.7%	+/-2.2
Transportation and warehousing, and	2,245	+/-451	8.2%	+/-1.7
Information	376	+/-170	1.4%	+/-0.6
Finance and insurance, and real estate	1,276	+/-277	4.7%	+/-1.0
Professional, scientific, and	3,110	+/-437	11.3%	+/-1.6
Educational services, and health care	5,629	+/-660	20.5%	+/-2.3
Arts, entertainment, and recreation, and	4,512	+/-738	16.4%	+/-2.4
Other services, except public	1,295	+/-309	4.7%	+/-1.1
Public administration	1,111	+/-254	4.0%	+/-1.0

Source: 2009-2011 American Community Survey, US Department of Commerce, Census Bureau.

The education, health care and social assistance sector represents the largest employment sector for North Miami residents (20.5%), followed by arts, entertainment and hospitality (16.4%); Professional, scientific, retail trade (13.7%) and management (11.3%).

Having reviewed the resident employment/occupation characteristics, it is important to note that only 9.7% of the City's residents actually work within the City, according to 2006-2010 ACS data which is extremely low. For comparison 55% of City of Miami residents work within the City of Miami.

A significant percentage of employee residents rely on carpooling (11.3%) and public transit (10.2%) as shown in Table 7. The mean travel time to work is 30.7 minutes.

Table 7: North Miami Resident Commuting Patterns.

COMMUTING TO WORK	Estimate	Margin of	Percent	Percent
Workers 16 years and over	26,988	+/-1,022	26,988	(X)
Car, truck, or van -- drove alone	19,788	+/-917	73.3%	+/-2.5
Car, truck, or van -- carpooled	3,053	+/-521	11.3%	+/-1.8
Public transportation (excluding taxicab)	2,761	+/-456	10.2%	+/-1.6
Walked	435	+/-185	1.6%	+/-0.7
Other means	463	+/-214	1.7%	+/-0.8
Worked at home	488	+/-151	1.8%	+/-0.6
Mean travel time to work (minutes)	30.7	+/-1.0	(X)	(X)

Source: 2009-2011 American Community Survey, US Department of Commerce, Census Bureau.

HOUSING OVERVIEW

Existing Housing Characteristics

Approximately 40% of the City's housing stock is 1-unit detached housing. Slightly over 42% of housing is multi-family with buildings containing 20 or more units each.

Table 8: North Miami Housing Structures

UNITS IN STRUCTURE	Estimate	Margin of Error	Percent	Percent Margin of
Total housing units	21,585	+/-673	21,585	(X)
1-unit, detached	8,678	+/-505	40.2%	+/-2.1
1-unit, attached	865	+/-240	4.0%	+/-1.1
2 units	864	+/-221	4.0%	+/-1.0
3 or 4 units	609	+/-152	2.8%	+/-0.7
5 to 9 units	873	+/-189	4.0%	+/-0.9
10 to 19 units	582	+/-151	2.7%	+/-0.7
20 or more units	9,114	+/-577	42.2%	+/-2.0
Mobile home	0	+/-104	0.0%	+/-0.2
Boat, RV, van, etc.	0	+/-104	0.0%	+/-0.2

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Housing Tenure

According to the 2010 Census, the City had 22,110 housing units of which 19,275 or 87% were occupied. Of the occupied housing units, 51% were owner-occupied and 49% renter-occupied.

In 2010, the homeowner vacancy rate was 5.7% and the rental vacancy was 12.8%. SPG believes that part of the reason for the higher vacancy rates within the City, as compared to surrounding areas, is that some vacant units maybe functionally obsolete due to age and overall configuration (size, room layout, energy efficiency etc).

Table 9: North Miami Occupancy Status -2010

OCCUPANCY STATUS	Number	Percent
Total housing units	22,110	100.0
Occupied housing units	19,275	87.2
Vacant housing units	2,835	12.8
TENURE		
Occupied housing units	19,275	100.0
Owner occupied	9,835	51.0
Owned with a mortgage or loan	7,877	40.9
Owned free and clear	1,958	10.2
Renter occupied	9,440	49.0

Source: 2010 Census Summary File 1.

Approximately 13% of the City's housing stock was vacant in 2010. Of the vacant units, 44% were for rent (1,256 units) while 15% were for sale (423). Approximately 11% of the vacant units were seasonal.

Table 10. North Miami Housing Vacancy Status - 2010

VACANCY STATUS	Number	Percent
Vacant housing units	2,835	100.0
For rent	1,256	44.3
Rented, not occupied	47	1.7
For sale only	423	14.9
Sold, not occupied	113	4.0
For seasonal, recreational, or	309	10.9
For migratory workers	0	0.0
Other vacant	687	24.2

Source: 2010 Census Summary File 1.

The average size of an owner occupied housing is 3.16 persons per units while the average size of a rental units is 2.76 persons per household.

Table 11: North Miami Household Population - 2010

HOUSEHOLD POPULATION	Number	Percent
Occupied housing units	19,275	100.0
Owner-occupied housing units	9,835	51.0
Population in owner-occupied housing units	31,095	(X)
Average household size of owner-occupied	3.16	(X)
Renter-occupied housing units	9,440	49.0
Population in renter-occupied housing units	26,051	(X)
Average household size of renter- occupied	2.76	(X)

Source: 2010 Census Summary File 1.

As discussed above, owner occupied units have, on average, three persons or less residing within households (63%), while slightly over 22% are one-person households. Renters, on the other hand, are more likely to be 2 or less person households (54%).

Table 12: North Miami Tenure by Household Size - 2010

TENURE BY HOUSEHOLD SIZE	Number	Percent
Owner-occupied housing units	9,835	100.0
1-person household	2,202	22.4
2-person household	2,418	24.6
3-person household	1,595	16.2
4-person household	1,473	15.0
5-person household	945	9.6
6-person household	532	5.4
7-or-more-person household	670	6.8
Renter-occupied housing units	9,440	100.0
1-person household	2,664	28.2
2-person household	2,385	25.3
3-person household	1,764	18.7
4-person household	1,196	12.7
5-person household	757	8.0
6-person household	319	3.4
7-or-more-person household	355	3.8

Source: 2010 Census Summary File 1.

North Miami Household Overview

The 2010 Census estimates that 71.5% of the City's occupied housing is family households and 28.5% are nonfamily. Of the family households, 13.5% are considered elderly (householder 65 years old or older). Slightly over 9% of nonfamily households are considered elderly.

Table 8: North Miami Household Type, 2010

HOUSEHOLD TYPE	Number	Percent
Owner-occupied housing units	9,835	100.0
Family households	7,032	71.5
Householder 15 to 64 years	5,700	58.0
Householder 65 years and over	1,332	13.5
Husband-wife family	4,548	46.2
Male householder, no wife present	712	7.2
Female householder, no husband present	1,772	18.0
Nonfamily households	2,803	28.5
Householder 15 to 64 years	1,900	19.3
Householder 65 years and over	903	9.2

Source: 2010 Census Summary File 1.

The 2010 Census estimated that 62.2% of the City's renters resided in family households. Elderly (over 65 years of age) accounted for 373 units. Nonfamily rental households accounted for 37.8% of the City's occupied units. Elderly renters accounted for 442 of the City's rental units.

Table 9: Renter Household Type - 2010

HOUSEHOLD TYPE	Number	Percent
Renter-occupied housing units	9,440	100.0
Family households	5,867	62.2
Householder 15 to 64 years	5,494	58.2
Householder 65 years and over	373	4.0
Husband-wife family	2,556	27.1
Male householder, no wife present	879	9.3
Female householder, no husband present	2,432	25.8
Nonfamily households	3,573	37.8
Householder 15 to 64 years	3,131	33.2
Householder 65 years and over	442	4.7

Source: 2010 Census Summary File 1.

Approximately 48% of the owners of occupied housing units were 55 years of age or older in 2010 and approximately 23% were 65 years or older. Renters tend to be younger with 57% being less than 45 years of age. Approximately 9% of the renters were 65 years or older.

Table 10: Tenure by Age of Household - 2010

TENURE BY AGE OF HOUSEHOLDER	Number	Percent
Owner-occupied housing units	9,835	100.0
15 to 24 years	86	0.9
25 to 34 years	702	7.1
35 to 44 years	1,700	17.3
45 to 54 years	2,653	27.0
55 to 64 years	2,459	25.0
65 years and over	2,235	22.7
65 to 74 years	1,333	13.6
75 to 84 years	676	6.9
85 years and over	226	2.3
Renter-occupied housing units	9,440	100.0
15 to 24 years	914	9.7
25 to 34 years	2,281	24.2
35 to 44 years	2,145	22.7
45 to 54 years	2,015	21.3
55 to 64 years	1,270	13.5
65 years and over	815	8.6

Source: 2010 Census Summary File 1.

Elderly Households

Based on the Shimberg Center at the University of Florida, the City had 3,588 units headed by 65 aged head of household or older, in 2009. Of those elder units, 49% exceeded HUD's 30% affordability threshold and 28% exceeded HUD's 50% threshold.

Housing Age

The City's overall housing stock is old with only 663 units (3.1%) built since 2000. Approximately 46% of the housing stock is over 50 years old; which could make a significant amount of the City's housing stock functionally obsolete given changes in consumer housing demand.

Table 11: North Miami Age of Housing

YEAR STRUCTURE BUILT	Estimate	Margin of Error	Percent	Percent Margin of
Total housing units	21,585	+/-673	21,585	(X)
Built 2005 or later	153	+/-99	0.7%	+/-0.5
Built 2000 to 2004	510	+/-156	2.4%	+/-0.7
Built 1990 to 1999	737	+/-236	3.4%	+/-1.1
Built 1980 to 1989	1,595	+/-302	7.4%	+/-1.4
Built 1970 to 1979	4,875	+/-509	22.6%	+/-2.2
Built 1960 to 1969	3,842	+/-418	17.8%	+/-1.8
Built 1950 to 1959	7,717	+/-497	35.8%	+/-2.2
Built 1940 to 1949	1,753	+/-344	8.1%	+/-1.6
Built 1939 or earlier	403	+/-144	1.9%	+/-0.7

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Older housing tends to be smaller and have fewer bedrooms. According to the 2010 Census, 34% of the City's housing contains one or less bedrooms while 67% contain 2 bedrooms or less.

Table 12: North Miami Bedroom County - 2011

BEDROOMS	Estimate	Margin of Error	Percent	Percent Margin of
Total housing units	21,585	+/-673	21,585	(X)
No bedroom	708	+/-206	3.3%	+/-0.9
1 bedroom	6,701	+/-543	31.0%	+/-2.2
2 bedrooms	7,089	+/-610	32.8%	+/-2.8
3 bedrooms	5,468	+/-464	25.3%	+/-2.0
4 bedrooms	1,385	+/-262	6.4%	+/-1.2
5 or more bedrooms	234	+/-121	1.1%	+/-0.6

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Another indicator of aged housing is substandard housing. According to Census/HUD standards, approximately 186 units lack complete plumbing or kitchen facilities as well 2,205 units are overcrowded (exceed 1.01 persons per room).

Table 13: Substandard Housing -

SELECTED CHARACTERISTICS	Estimate	Margin of Error	Percent	Percent Margin of
Occupied housing units	18,120	+/-580	18,120	(X)
Lacking complete plumbing facilities	66	+/-63	0.4%	+/-0.4
Lacking complete kitchen facilities	120	+/-85	0.7%	+/-0.5
No telephone service available	425	+/-128	2.3%	+/-0.7
OCCUPANTS PER ROOM				
Occupied housing units	18,120	+/-580	18,120	(X)
1.00 or less	15,915	+/-761	87.8%	+/-1.8
1.01 to 1.50	1,721	+/-272	9.5%	+/-1.7
1.51 or more	484	+/-154	2.7%	+/-0.8

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Rental Housing Costs

Approximately 77% of the City's rental housing rent for between \$750 and \$1,449 a month in 2011, according to the 2009-2011 American Community Survey. The median rent was \$975, which using HUD's 30% affordability standard indicates that a household would need to earn over \$39,000 annually to afford the median rent. This means that over 50% of the City's renters could not afford the median rent.

Table 14: Gross Rent -2011

GROSS RENT	Estimate	Margin of Error	Percent	Percent Margin of
Occupied units paying rent	8,250	+/-534	8,250	(X)
Less than \$200	94	+/-80	1.1%	+/-1.0
\$200 to \$299	22	+/-26	0.3%	+/-0.3
\$300 to \$499	97	+/-67	1.2%	+/-0.8
\$500 to \$749	947	+/-199	11.5%	+/-2.4
\$750 to \$999	3,224	+/-337	39.1%	+/-3.7
\$1,000 to \$1,499	3,088	+/-352	37.4%	+/-3.5
\$1,500 or more	778	+/-229	9.4%	+/-2.6
Median (dollars)	975	+/-29	(X)	(X)
No rent paid	237	+/-134	(X)	(X)

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

For units not already rented, only 25% of asking rents were less than \$700 month. Again using HUD's affordability threshold, a household would need to earn \$36,000 to afford a \$700 month rent

assuming utilities of only \$100 month. Over 40% of the City's existing households do not have the income to support a \$700 rent plus utilities.

Table 15: Asking Rents -2011

North Miami		
RENT ASKED	Estimate	Margin of Error
Total:	1,272	+/-300
Less than \$100	26	+/-41
\$100 to \$149	0	+/-104
\$150 to \$199	0	+/-104
\$200 to \$249	0	+/-104
\$250 to \$299	0	+/-104
\$300 to \$349	0	+/-104
\$350 to \$399	0	+/-104
\$400 to \$449	0	+/-104
\$450 to \$499	47	+/-40
\$500 to \$549	22	+/-34
\$550 to \$599	12	+/-19
\$600 to \$649	85	+/-90
\$650 to \$699	128	+/-102
\$700 to \$749	150	+/-88
\$750 to \$799	68	+/-70
\$800 to \$899	187	+/-117
\$900 to \$999	142	+/-91
\$1,000 to \$1,249	313	+/-165
\$1,250 to \$1,499	63	+/-73
\$1,500 to \$1,999	29	+/-46
\$2,000 or more	0	+/-104

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Affordable Housing (Costs above HUD Affordability Threshold)

Based on the American Community Survey data, 66.3% of owner-occupied units (with mortgages) have housing cost that exceeds HUD 30% ratio and 59% that exceed the 35% threshold. Even if there is no mortgage (home is owned outright), 33% of those households' have housing cost that exceed HUD affordability standards. The Shimberg Center at the University of Florida reports, as of 2009, 25% of the City's households exceed HUD's 50% threshold.

Table 16: North Miami Owner Occupied Housing Affordability, 2011

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD	Estimate	Margin of Error	Percent	Percent Margin of
Housing units with a mortgage	7,429	+/-509	7,429	(X)
Less than 20.0 percent	1,177	+/-239	15.8%	+/-2.9
20.0 to 24.9 percent	706	+/-211	9.5%	+/-2.9
25.0 to 29.9 percent	623	+/-191	8.4%	+/-2.6
30.0 to 34.9 percent	542	+/-161	7.3%	+/-2.1
35.0 percent or more	4,381	+/-485	59.0%	+/-4.6
Not computed	33	+/-40	(X)	(X)
Housing unit without a mortgage	2,171	+/-311	2,171	(X)
Less than 10.0 percent	627	+/-157	28.9%	+/-6.4
10.0 to 14.9 percent	382	+/-123	17.6%	+/-5.3
15.0 to 19.9 percent	281	+/-83	12.9%	+/-3.6
20.0 to 24.9 percent	134	+/-73	6.2%	+/-3.3
25.0 to 29.9 percent	243	+/-104	11.2%	+/-4.5
30.0 to 34.9 percent	54	+/-40	2.5%	+/-1.9
35.0 percent or more	450	+/-178	20.7%	+/-6.8
Not computed	0	+/-104	(X)	(X)

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Lack of rental affordability within the City exceeds ownership affordability. Approximately 68% of all renters exceed HUD's affordability standards with 61% exceeding the 35% threshold.

Table 17: North Miami Renter Housing Affordability, 2011

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)	Estimate	Margin of Error	Percent	Percent Margin of
Occupied units paying rent (excluding)	8,130	+/-541	8,130	(X)
Less than 15.0 percent	436	+/-160	5.4%	+/-1.9
15.0 to 19.9 percent	775	+/-211	9.5%	+/-2.6
20.0 to 24.9 percent	737	+/-226	9.1%	+/-2.7
25.0 to 29.9 percent	686	+/-187	8.4%	+/-2.2
30.0 to 34.9 percent	558	+/-189	6.9%	+/-2.3
35.0 percent or more	4,938	+/-471	60.7%	+/-3.8
Not computed	357	+/-162	(X)	(X)

Source: 2007-2011 American Community Survey, US Department of Commerce, Census Bureau.

Existing Supply of Rental Housing

As previously mentioned, the City of North Miami is largely built-out requiring that new development, for the most part, will require infill development which requires demolition of old structures and therefore is more expensive to deliver than greenfield developments. Accessibility to appropriate rental housing in the future will require the replacement and increased density of existing housing.

The US Department of Housing and Urban Development has recently completed a Comprehensive Housing Analysis of Miami-Dade County, as of April 1, 2012. That study shows that average asking rent for one, two and three bedroom units were \$960, \$1,220, and \$1,490 which represented rent increases over the previous year of 1.0%, 1.5% and 0.7%. These rents exceed the affordability range of most North Miami residents.

Furthermore, the HUD study findings a demand for an additional 4,925 market grade rental units alone between April 1, 2012 and April 1, 2015 as shown in the graphic below.

Table 18: Estimated Rental Demand, Miami-Dade, 2012-2015

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
900 to 1,099	85	1,150 to 1,349	430	1,450 to 1,649	950	1,520 to 1,719	260
1,100 to 1,299	60	1,350 to 1,549	310	1,650 to 1,849	680	1,720 to 1,919	190
1,300 to 1,499	50	1,550 to 1,749	250	1,850 to 2,049	540	1,920 to 2,119	150
1,500 to 1,699	25	1,750 to 1,949	120	2,050 to 2,249	270	2,120 to 2,319	70
1,700 or more	25	1,950 or more	120	2,250 or more	270	2,320 or more	70
Total	240	Total	1,225	Total	2,700	Total	740

¹ Miami-Miami Beach-Kendall HMA.

Notes: Numbers may not add to totals because of rounding. The 580 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Source: Miami-Miami Beach-Kendall, Florida, *Comprehensive Housing Market Analysis*, April 2012

Existing Affordability Issues

United States government housing policies, over the last several decades, has been dedicated to promoting homeownership. However, as experienced in most urban settings, an increasing amount of housing is devoted to rentals due in large part to housing costs. Largely as a result of the "Housing Bubble Burst of 2007" and the ensuing "Great Recession", for which Florida is just

beginning to re-immerge, most economists and housing experts project the remaining of the decade will be a “Renter” paradigm.

The main issue impacting the overall housing market and housing affordability is the ability to qualify for credit. Unlike the early 2000’s, lending institutions are firm on maintaining a high credit rating as well as requiring a 20% down payment. As a result of the recession, i.e. foreclosures and short sales, a significant portion of the population cannot qualify for the currently historic low interest rates being offered. Their only alternative is rental housing.

EXISTING AFFORDABILITY GAP

Table 18 shows the income requirements for both rent and ownership, based on the current low interest rates. If a household earned the County (MSA) median income, and had a good credit rating and 20% down payment, that household could afford to purchase a home priced around \$250,000 today³. Should interest increase to 7.5% in the midterm, that same household could only afford a home price at about \$186,000, and could only afford a \$148,000 home if interest rates reached 10%.

Table 18: Affordability GAP Analysis

Downpayment	20%	Utilities	15%
Cost Burden	30%	Taxes, Ins.	20%
Interest Rate	4.50%		

%	Payment					
Median Income	Family Income	Monthly Rent	Monthly Payment	Less Taxes & Insurance	Amt of Mortgage	Home Price
28%	\$14,616	\$311	\$365	\$292	\$57,693	\$72,116
30%	\$15,660	\$333	\$392	\$313	\$61,814	\$77,267
50%	\$26,100	\$555	\$653	\$522	\$103,023	\$128,778
60%	\$31,320	\$666	\$783	\$626	\$123,627	\$154,534
70%	\$36,540	\$776	\$914	\$731	\$144,232	\$180,289
80%	\$41,760	\$887	\$1,044	\$835	\$164,836	\$206,045
90%	\$46,980	\$998	\$1,175	\$940	\$185,441	\$231,801
100%	\$52,200	\$1,109	\$1,305	\$1,044	\$206,045	\$257,556
110%	\$57,420	\$1,220	\$1,436	\$1,148	\$226,650	\$283,312
120%	\$62,640	\$1,331	\$1,566	\$1,253	\$247,254	\$309,068
130%	\$67,860	\$1,442	\$1,697	\$1,357	\$267,859	\$334,823
140%	\$73,080	\$1,553	\$1,827	\$1,462	\$288,463	\$360,579

Source: Strategic Planning Group, Inc., 2013

Based on the 2009-2011 ACS Census, the City had a significantly lower median income than the County. If affordability is analyzed by the City of North Miami’s median family income, than those households earning the City’s median income could only afford to purchase a \$170,000 home at current interest rates. At 10% the same household could only afford a \$98,000 home. Therefore, the supply of appropriate rental housing is critical for the future of North Miami.

³ That also means that 50% could not afford that cost of housing

Table 19: Affordability GAP based on North Miami Median Income, 2011

Median Income	Family Income	Monthly Rent	Payment			Home Price
			Monthly Payment	Less Taxes & Insurance	Amt of Mortgage	
30%	\$10,332	\$220	\$258	\$207	\$40,784	\$50,980
50%	\$17,221	\$366	\$431	\$344	\$67,973	\$84,966
60%	\$20,665	\$439	\$517	\$413	\$81,568	\$101,960
70%	\$24,109	\$512	\$603	\$482	\$95,162	\$118,953
80%	\$27,553	\$585	\$689	\$551	\$108,757	\$135,946
90%	\$30,997	\$659	\$775	\$620	\$122,352	\$152,940
100%	\$34,441	\$732	\$861	\$689	\$135,946	\$169,933
110%	\$37,885	\$805	\$947	\$758	\$149,541	\$186,926
120%	\$41,329	\$878	\$1,033	\$827	\$163,136	\$203,919
130%	\$44,773	\$951	\$1,119	\$895	\$176,730	\$220,913
140%	\$48,217	\$1,025	\$1,205	\$964	\$190,325	\$237,906

Source: Strategic Planning Group, Inc., 2013

MIXED USE ANALYSIS

The proposed project includes 3,000 feet of retail space on the ground level. SPG recently completed an economic and retail analysis of various City arterials and their service areas. The proposed development is contained within what that report referred to as, the West Dixie Blvd market area. That study shows that the overall retail market is being served by existing stores within the West Dixie 3-mile service area. Therefore, the development's proposed retail space will depend largely on the tenants of the proposed project and its ability to capture convenience/neighborhood related (1-mile) that is currently being satisfied elsewhere. Convenience/neighborhood retail uses include minimarts, beauty parlors, dry cleaners, restaurants, etc.

CONCLUSIONS AND FINDINGS

Based on US Department of Commerce data, the City of Miami (and the City of North Miami) continues to have an affordable housing problem which has now been made worse by tight credit requirements that have limited the ability of households to take advantage of historic low interest rates. The impact of the "Great Recession", particularly the record foreclosures and short sales, has significantly impacted household credit ratings. Furthermore, a significant portion of households are still underwater, meaning they owe more than their home are currently valued, thereby limiting their ability to move and secure new homes. The impact has created a large demand for rental housing, which SPG feels will continue for the remainder of the decade. Should interest rates begin to increase in the coming years; the affordability gap will significantly increase and along with it an increased demand for rental housing.

This impact is felt not only in the traditional very low, low and moderate HUD category but is equally as strong within the "workforce" housing segment (80-140% MFI). The private sector cannot develop residential product for the 60% or less AMI household without assistance and housing subsidies. Furthermore the private sector is also finding it difficult to fund housing product for moderate to workforce housing (80%-120% AMI) due to tight bank lending policies and also require public sector incentives and subsidies.

The proposed project will attract tenants not only from North Miami but also from the surrounding region. As shown in the HUD 2012 report there is a need for 4,925 market grade rental units alone through 2015.

SPG believes that the proposed development's affordable/workforce rental units are needed, including bonus units. These units will serve the existing demand and should have a secondary positive impact of providing additional population to the City which is currently projected to lose population through 2040.