

# Increasing Affordable Housing Stock by Repurposing Unused or Underutilized Properties

Sponsored by: Florida Housing Finance Corporation  
Facilitated by: Florida Housing Coalition  
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# Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

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# Presenters

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# Presenters

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# FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more under the Publications tab at [Flhousing.org](http://Flhousing.org)

**Housing News Network Journal**

**Florida Home Matters Report**

**Accessory Dwelling Unit (ADU) Guidebook**

**Adaptive Reuse of Vacant Rentals**

**Affordable Housing Resource Guide**

**Affordable Housing Incentive Strategies**

**CLT (Community Land Trust) Primer**

**CLT Homebuyer Education – Teacher’s Guide**

**CLT Homebuyer Education – Buyer’s Guide**

**Community Allies Guide to Opportunity Zones**

**Community-Based Planning Guide**

**Creating a Local Housing Disaster Recovery**

**Creating Inclusive Communities in Florida**

**Credit Underwriting Guide for Multi-Family Affordable Housing in Florida**

**Developing & Operating Small Scale Rental Properties**

**Disaster Management Guide for Housing**

**Landlord Collaboration Guidebook**

**PSH Property Management Guidebook**

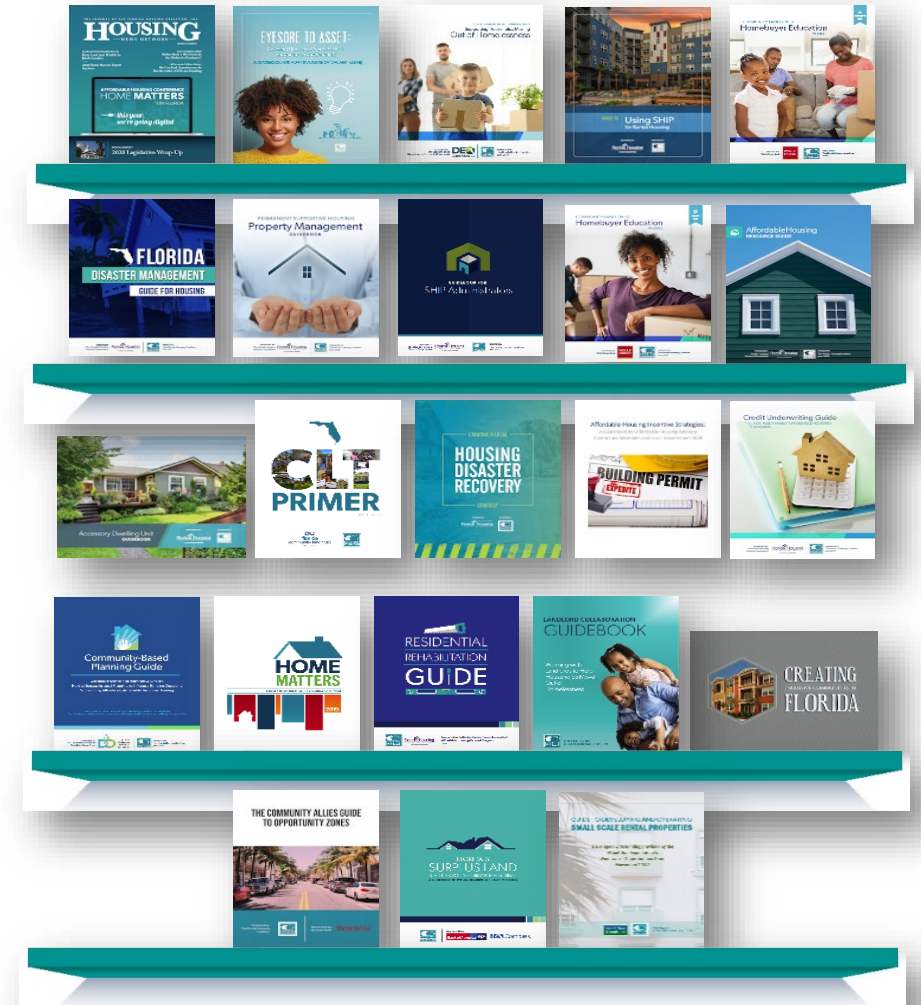
**Residential Rehabilitation Guide**

**SHIP Administrators Guidebook**

**Surplus Lands Guidebook**

**Supporting Households Moving Out of Homelessness**

**Using SHIP For Rental Housing**



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# Webinar Logistics

- All participants are on mute
- Please type in your questions and comments into the question box on the side panel
- We will not identify who has asked a question
- Webinar is recorded
- PPT is provided as a handout
- For follow-up information or problems downloading handouts, please contact [chaney@flhousing.org](mailto:chaney@flhousing.org)



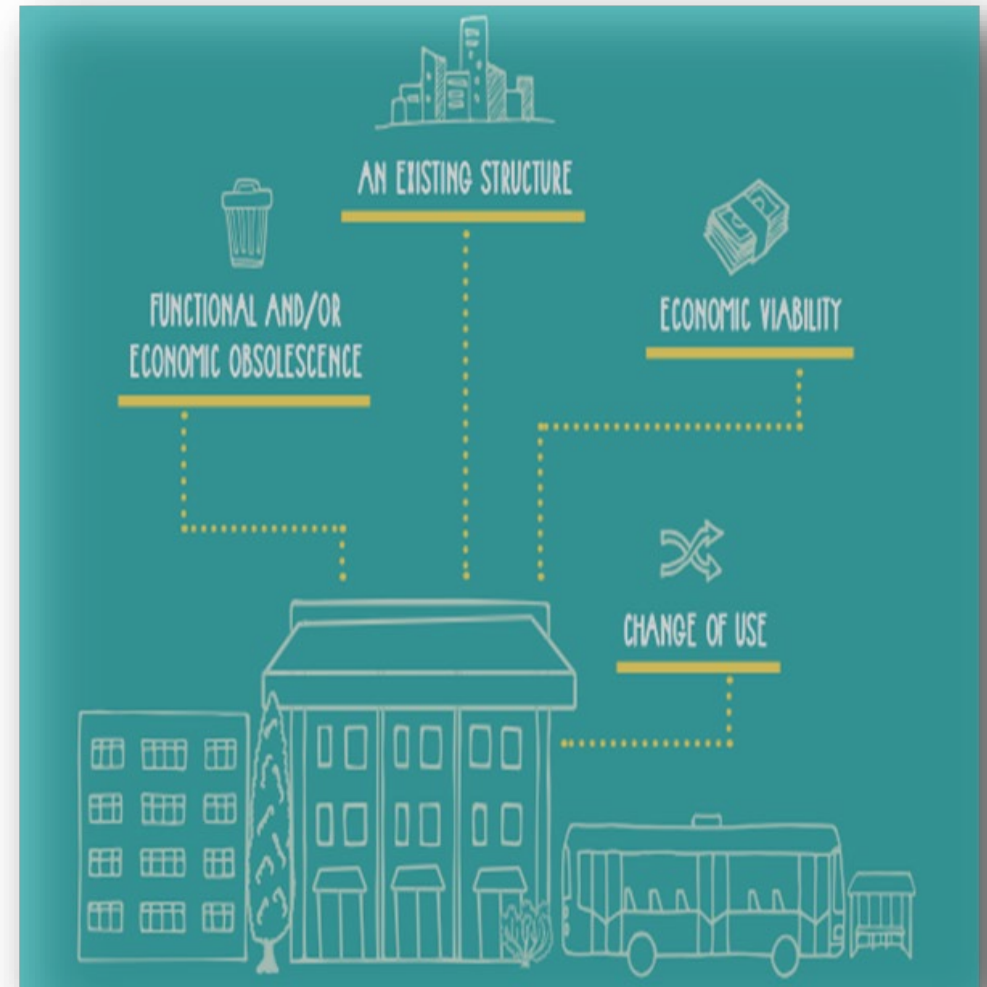
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# Poll: Who's attending today?

- Local government
- Nonprofit developer
- For profit developer
- Financial institution
- Other

# Agenda

- What is Adaptive Reuse
- Where Do Opportunities Currently Exist
- Benefits of Adaptive Reuse
- Evaluating Scale and Other Considerations
- Financial Resources
- Retail Case Study
- Community Spotlight: Osceola County





# Adaptive Reuse

# What is Adaptive Reuse?

Reusing or recycling and conversion of an existing building/structure for an alternative purpose.



Source: <https://www.buildingenclosureonline.com/articles/89227-the-largest-residential-adaptive-reuse-in-south-florida> . The King Cole Hotel, redeveloped to The Miami Heart Institute, adaptive reuse created the Ritz Carlton Residences.

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# Common Applications of Adaptive Reuse



Source: <https://www.multihousingnews.com/gsp-mcshane-complete-florida-adaptive-reuse-project/> Clearwater, FL adaptive reuse of abandoned office building to mixed use development.

- Reviving an older building, usually a historical structure that has intrinsic value to a community such as a school, church, or theatre structure.
- These buildings are typically identifiable landmark structures for which a city or neighborhood is known, but their original use no longer meets the needs of the community.





# Potential Opportunities

- Vacant hotels
- Vacant retail
- Vacant office
- Surface parking lots

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# Benefits of Adaptive Reuse

- Existing infrastructure
  - Transforms building lifecycle
  - Addresses obsolescence
- Waste reduction
  - Responsible and sustainable
- Historic preservation and cultural value
  - Preservation
- Can be catalyst for or expand redevelopment efforts
  - Community transformation

# Planning Initiatives that Adaptive Reuse Can Support

- Overlay Districts
  - Flexibilities in uses, regulations
- Transit Oriented Development
  - Modalities (bike, pedestrians, vehicles, public transportation)
  - Improve connectivity by expansion of transportation nodes to activity centers
- Mixed-Use Development
  - Anchor stores help subsidize low-income renters
  - Agglomeration improves resilience to disruptions

# Complementing Strategies for Adaptive Reuse

- Tax Increment Financing (TIF) in a CRA Boundary:
  - Increased Property Tax Revenue -> Recycling Revenue within CRA Boundary
  - Community Stabilization
  - Economic Stabilization
- Lien Waiver Programs
  - Ability to proceed
  - Liens waived upon development of affordable housing
- Agglomeration
  - Increases resilience against shocks/stressors

# Evaluating the Scale of Opportunities Available

- Number of similar properties available
- Size and vacancy
- Location
- Zoning and land use
- Other site-specific issues



Source: Vagabond Group LLC. <https://thevagabondgroupllc.com/adaptivereuse>. City of Hialeah, 2018-Present - Opportunity Zone

# Ownership and Site Control



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- Long-term ground lease allows:
  - Property Owner maintains control of common area maintenance, long-term requirements for financing.
  - Lessee owns the improvement(s)



# Design Considerations – Adapting to Housing Requirements

- Substructure (foundations, slabs)
- Shell (floors, enclosures, windows, doors)
- Interiors (partitions, doors, railings, finishes)
- Services (plumbing, HVAC, fire protection, electrical)
- Equipment and Furnishings (casework)
- Special Construction/Demolition
- Building Sitework



# Evaluating Cost and Financing Options

- New Market Tax Credits in combination with Historic Tax Credits
- Some type of local government financing
- Low-Income Housing Tax Credits
- Debt financing

# Determining the Highest and Best Use

- Should the existing improvements on the property be:
  - Maintained in their current state?
  - Altered in some manner to make them more valuable?
  - Demolished to create a vacant site for a different use?
- Is the reuse project:
  - Legally Permissible
  - Physically Possible
  - Financially Feasible
  - Maximally Productive

# Determining the Highest and Best Use

- If renovation or redevelopment is warranted, when should the new improvements be built?
- The cost of modifying the improvement and the value gained in that modification are accounted for in the determination of highest and best use.
- Land appreciates in value: The land is more valuable than the building itself

# HB 1339 from 2020 Legislative Session

- House Bill 1339 (2020) provided tremendous flexibility to local governments to approve affordable housing developments without needing a rezoning or comprehensive plan amendment.
- S. 125.01055(6) for counties and S. 166.04151(6) for cities:  
  
“Notwithstanding any other law or local ordinance or regulation to the contrary, the governing body of a [city or county] may approve the development of housing that is affordable, as defined in s. 420.0004, on any parcel zoned for residential, commercial, or industrial use.”

# What does this new statutory provision mean?

- It grants permission for a local government to override its own comprehensive plan and/or zoning code to approve an affordable housing development
- Ex) An affordable housing developer could be permitted to build a multifamily development in a commercial land use designation without needing a zoning change
- This language can act as a “super-waiver” of all land development regulations for affordable housing developments

# How HB 1339 Can Facilitate Adaptive Reuse

- F.S. 125.01055(6)/166.04151(6) can expedite the conversion of underutilized or vacant structures into affordable housing
- A vacant strip mall on a land zoned commercial could be converted into affordable housing without needing a re-zoning or comprehensive plan amendment
- City or County could set development criteria on a case-by-case basis
- This tool could save months on an adaptive reuse project

# Implementing s. 125.01055(6)/166.04151(6)

- State law does not provide a method for how to implement this land use flexibility
- Can be done through an implementing ordinance (St. Petersburg) or on a case-by-case basis (Jacksonville)
- Although these statutes allow the waiver of all development standards, there will be development standards the local government will still need to regulate:
  - Density
  - Parking
  - Setback requirements
  - Environmental considerations
  - Compatibility w/surrounding structures



# St. Petersburg Model

- In Oct. 2021, City of St. Pete created a new section of its LDRs to become the first local government to implement HB 1339 by ordinance
- Staff review applications pursuant to the new section with final approval by City Council
- Ordinance contains eligibility requirements, notice requirements to surrounding property owners, and standards of review for Staff and City Council

# St. Petersburg Model – Key Provisions

- Limited to four zone districts (Neighborhood Traditional, Neighborhood Suburban, Industrial Traditional, Industrial Suburban)
- Minimum lot sizes based on underlying zoning
  - Neighborhood Traditional/Suburban - min. 1 acre
  - Industrial Traditional/Suburban - min. 5 acres
- Minimum # of units
  - Neighborhood Traditional/Suburban - 20 or more units
  - Industrial Traditional/Suburban - 60 or more units

# St. Petersburg Model – Key Provisions

- Affordability Period
  - All dwelling units must have a restrictive covenant requiring the units to be affordable to buyers/rents <120% AMI for a minimum period of 30 years
- Compatibility
  - Property within Industrial zones must be:
    - 1) within 2 miles of public school;
    - 2) within ¼ mile of bus line;
    - 3) within 1 mile of a grocery store; and
    - 4) within 1 mile of Pinellas Trail or City park

# Things to Consider for HB 1339 Implementation

- Require long-term affordability
- Provide clear standards for when an affordable housing development can be approved under s. 125.01055(6)/166.04151(6)
- Consider different development standards based on the existing zoning
- Do not approve projects on parcels that are not appropriate for affordable housing
- Delegate authority to approve affordable developments to staff officials

# Sample Policy – Included as a Handout

## COUNTIES

### Policy Implementing § 125.01055(6)

The County Commission may approve the development of affordable housing on any parcel zoned for residential, commercial, or industrial use if the development receives funding from the Florida Housing Finance Corporation, the \_\_\_\_\_<sup>1</sup> Housing Finance Authority, the State Housing Initiatives Partnership (SHIP) program, other federal, state, or local affordable housing funding source, or if the development agrees to a Land Use Restriction Agreement that reserves \_\_\_\_<sup>2</sup> percent or more of the dwelling units for affordable housing for households with gross incomes at or below \_\_\_\_<sup>3</sup> percent of the median income adjusted for family size, as defined in \_\_\_\_\_<sup>4</sup>, for a period of 50 years or more<sup>5</sup>. Development standards for projects subject to this policy, such as density, height, design, and other characteristics, shall be determined by the \_\_\_\_\_<sup>6</sup> in coordination with the applicant and brought to the Commission for final approval or as provided in an implementing ordinance.

# Sample Policy – Included as a Handout

1. Insert name of applicable Housing Finance Authority, if any.
2. Establish the percentage of units that need to be affordable to receive the zoning benefits.
3. Establish the household incomes served by the affordable units approved under this policy.
4. Cite to a local definition of affordable housing or the state definition at 420.0004.
5. Define the affordability period. This period should be at least 50 years or more.
6. Title of department head responsible for making final decisions on zoning orders.

# It's All a Matter of Priority . . .

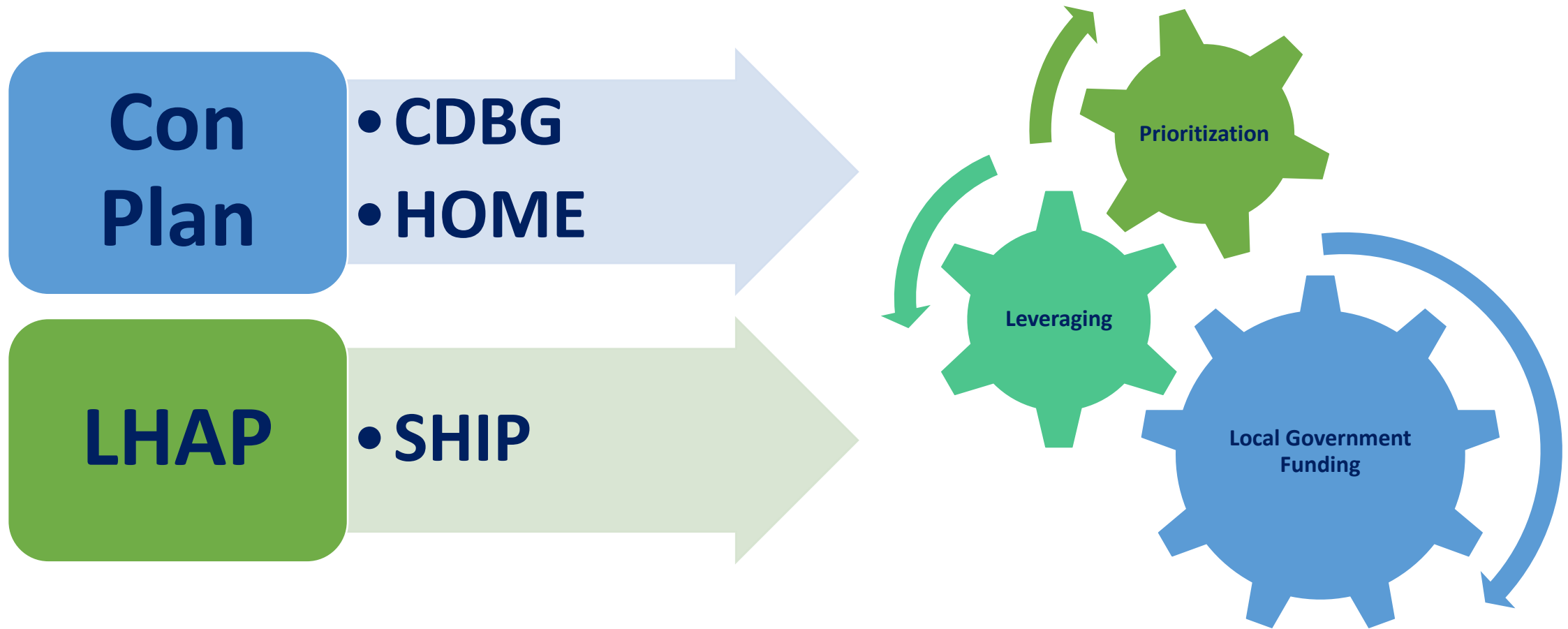
If a local government has the **motivation** to approve a particular affordable adaptive reuse development in a residential, commercial, or industrial zone, it can use s. 125.01055(6) or 166.04151(6) to do so regardless of the underlying zoning.





# Local Government Sources and Uses for Hotel Conversion & Reuse of Underutilized Properties

# Local Government Spending Plans



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# Community Development Block Grant (CDBG)

- Activities
  - Acquisition (undertaken by the grantee, a public agency, or a nonprofit)
  - Rehabilitation
  - Operating subsidies

# Community Development Block Grant (CDBG)

- Examples of Use
  - Property Acquisition
    - Assistance to private individuals and entities (whether profit or not-for-profit) to acquire for the purpose of rehabilitation and to rehabilitate properties for use or resale for residential purposes.
  - Renovation of Closed Buildings
    - The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).
  - Capital for acquisition/rehab of non-residential building into permanent housing.

# Community Development Block Grant (CDBG)

- Requirements
  - Record keeping requirement (24 CFR 576.500)
  - Compliance with a National Objective: Low and Moderate Income, Slum and Blight, Urgent Need

# Community Development Block Grant (CDBG)

- Considerations
  - CDBG can be used for any infrastructure that is owned by a public or nonprofit agency.
  - Qualifying an acquisition activity under one of the CDBG national objectives depends entirely on the use of the acquired real property following its acquisition.
  - A preliminary determination of compliance may be based on the planned use.
  - The final determination must be based on the actual use of the property, excluding any short-term, temporary use.

# HOME Investment Partnership Program (HOME)

- Activities
  - Rehabilitation (conversion is treated as rehabilitation under HOME)
  - Acquisition of Property
- Examples of Use
  - Conversion of an existing structure to affordable housing

# HOME Investment Partnership Program (HOME)

- Requirements

- HOME can be used for the housing portion of mixed-use projects, and for the low-income units of a mixed-income housing development.
- Track the actual costs of the affordable housing units in a mixed-use project.
- In a mixed-income project, the costs of the affordable units can be pro-rated as portion of the total development costs, when the units are comparable in terms of size and amenities.



# HOME Investment Partnership Program (HOME)

- Considerations
  - If conversion involves additional units beyond the walls of an existing structure, the entire project is new construction.
  - Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homebuyer program or a rental housing project.
  - After acquisition, rental units must meet HOME rental occupancy, affordability, and lease requirements.
  - Conversion to commercial use is ineligible.

# State Housing Initiatives Partnership (SHIP) Funding Set Aside

**At least 65% for  
homeownership**

**No more than 25%  
for rental**

**At least 75% for  
construction,  
rehabilitation, or  
emergency repair**

**At least 20% for  
persons with special  
needs**

**No more than 20%  
for manufactured  
housing**

**At least 30% for:**

- Very Low Income (< 50% AMI)
- Low Income (< 80% AMI)

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# State Housing Initiatives Partnership (SHIP)-Construction



## Construction

- Construction/rehab of rental housing
- Construction/rehab of ownership housing
- Matching dollars for federal housing programs
- Land acquisition

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# American Rescue Plan - Coronavirus State & Local Fiscal Relief Funds (CLFRF)

- All counties and 77 cities in Florida will receive CLFRF dollars through the American Rescue Plan
- Can be spent on a variety of activities to respond to the public health and negative economic effects of COVID-19, including assistance to households, small businesses, nonprofits, or aid to impacted industries
- These funds can be spent on affordable housing activities
- Funds must be obligated by Dec. 31, 2024, and spent by Dec. 31, 2026

# Using CLFRF for Affordable Housing

- Treasury rules & guidance expressly allow CLFRF to be used for affordable housing initiatives including:
  - Development of affordable housing
  - Rent and mortgage assistance
  - Housing vouchers and relocation assistance
  - Supportive housing services to improve access to housing for individuals who are homeless
- “A city could determine that its low-income residents faced disproportionate effects of COVID-19 and develop affordable housing targeted to these households.” Pg 104 – Final Rule

# CLFRF Uses Listed in Final Rule for Adaptive Reuse

- Conversion of vacant or abandoned properties into affordable housing
- Rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties
- Costs associated with acquiring and securing legal title of vacant or abandoned properties
- Removal and remediation of environmental contaminants or hazards
- Demolition or deconstruction
- Greening or cleanup of vacant lots, as well as other efforts to make vacant lots safer for the surrounding communities

# Other Federal & State Programs

- Low Income Housing Tax Credits (LIHTC)
- Historic Tax Credits (HTC)
- New Market Tax Credits (NMTC)
- Opportunity Zones (OZ)
- Brownfields



## Case Study: Big Box Retail Center in St. Petersburg, FL



# The Site

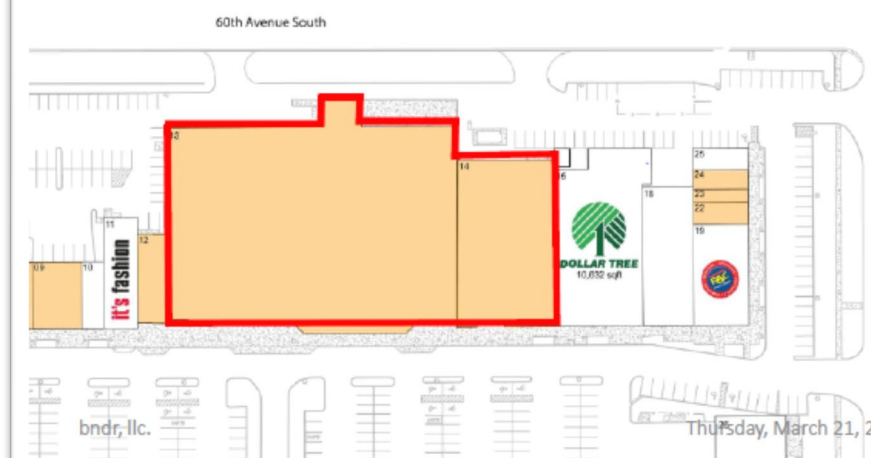
Skyway Plaza  
St. Petersburg, FL

~60,000 Square Feet

Long-Term Vacancy

Low-traffic location with limited  
growth potential

NMTC eligible census tract



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# Opportunities

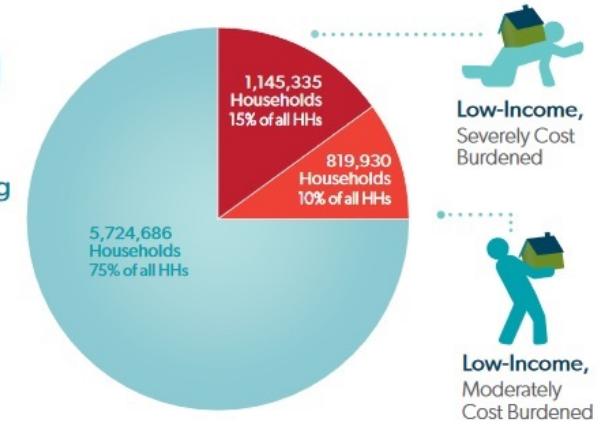
## Changing Retail Landscape



## Growing Housing Needs

Figure 2. Cost Burdened Low-Income Households in Florida.

**25%**  
of Floridians  
**Struggle**  
to Pay for Housing

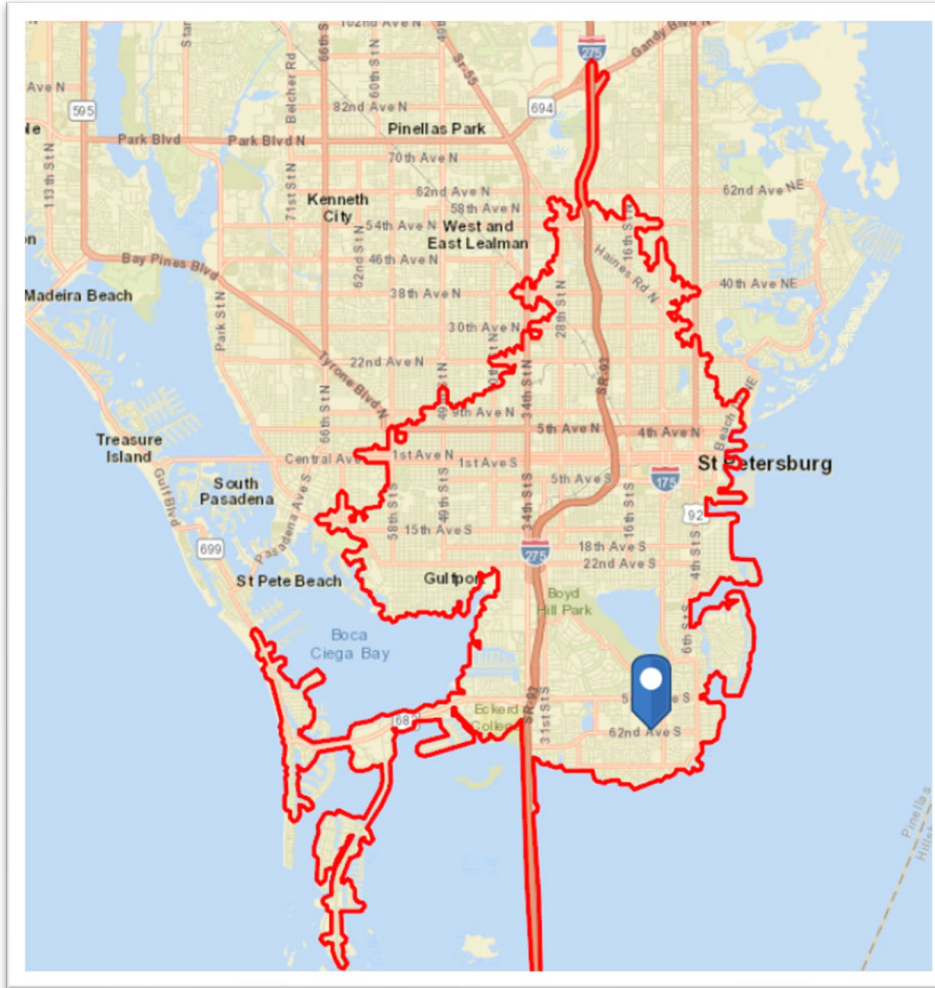


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# The Site



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# The Vision

## Complete Community

Local Businesses

Workforce  
Housing

Neighborhood  
Revitalization

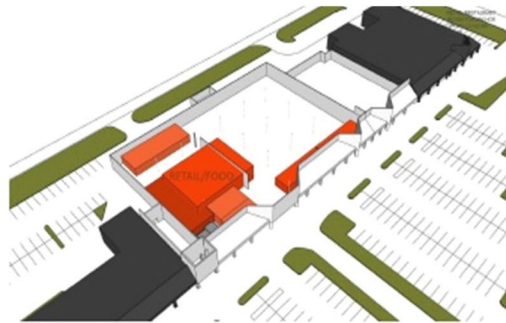


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# What's Possible



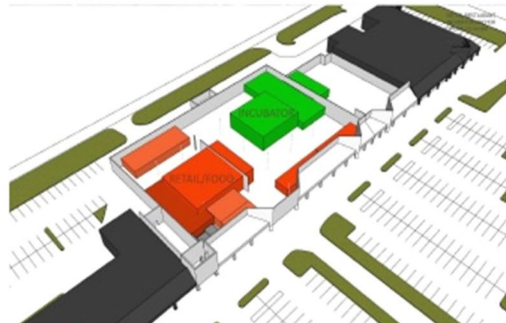
**RETAIL/FOOD** - Retail requires visibility and frontage and creates action. So it is located along the front. Restaurants and incubator kitchens are located with the existing grocery store plumbing, power, and ventilation.

2.



**SERVICES** - Bay 14, formerly Walgreens, is the location for Urgent Care, Gym, and Wellness. Daycare has access to a new playground creating activity in the back. These lower intensity uses are best for this Bay which has less robust utilities.

5.



**INCUBATOR/ANCHOR** - access to exterior for egressing assembly rooms and it occupies the large volume. It functions as a draw to but doesn't need visibility. It is tucked in to the core and bridges the two bays.

3.



**RESIDENTIAL** - Units of housing are located to have access to light and air (windows) and form a ring around the program below. Interior porches and walks for these units activate the interior of the project as if it were

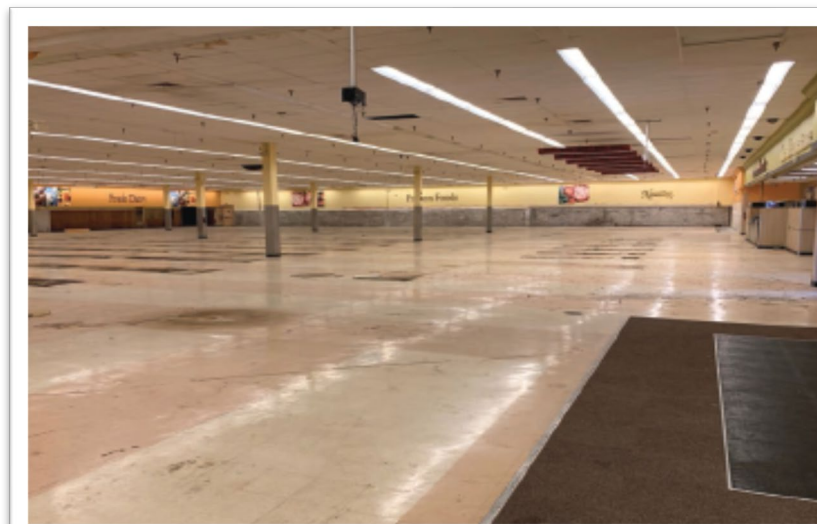
6.



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# Considerations



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# Financial Analysis – Mixed Use

As-Is Value	
As-Is Value	\$4.2 million - \$4.45 million
Price/SF	\$394,494
Net Residual Value Year 7	\$9,200,000
Residual Cap Rate	9.5%
Discount Rate	12.00% - 13.00%
TI/LC/CAPEX	\$3,565,893

Post-Redevelopment Valuation – Entire Shopping Center	
Stabilized Value	\$14.7 million - \$13.85million
Price per square foot	\$132.67 - \$125.00
Stabilized NOI (annual)	\$1,212,050
Stabilized Cap Rate	8.25% - 8.75%
TI/LC/CAPEX	\$9,828,796

As-Is Valuation – Anchor Only	
As-Is Value	\$1.4 million - \$1.64 million
Prices per Square Foot	\$30.00 - \$35.00
Building Size (square feet)	46,803

Post-Redevelopment Valuation – Anchor Only	
Post-redevelopment Value	\$5.2 million - \$5.7 million
Price per Square Foot	\$111.10 - \$121.79
Stabilized NOI (annual)	\$440,431
Cap Rate	7.75% - 8.50%
Building Size (square feet)	46,803



# Financial Analysis – Mixed Use

Development Timeline	2 years
Total Revenue	\$1,437,721 <sup>A</sup>
Net Operating Income	\$755,662 <sup>B</sup>
Acquisition Price	\$3,800,000 <sup>C</sup>
Total Development Costs	\$11,000,000 <sup>D</sup>
Financing Terms	5% interest; 30-years, fixed; required debt service coverage ratio of 1.15 <sup>E</sup>

Sources	
First Mortgage	\$10 million
Local Funding (Grants, soft debt)	\$150,000
Purchaser Equity	\$850,000
<b>TOTAL SOURCES</b>	<b>\$11 million</b>

Uses	
Acquisition	\$3.8 million
Construction and related expenses	\$6.5 million
Other Development Costs	\$700,000
<b>TOTAL USES</b>	<b>\$11 million</b>

<sup>A</sup> Year 2 effective gross income as estimated by Crossman and Company

<sup>B</sup> Year 2 net operating income as estimated by Crossman and Company

<sup>C</sup> Negotiated below-market value acquisition price in exchange for quick closing

<sup>D</sup> Includes acquisition price above, \$5.5 million in costs related to the build-out of the second-floor residential units and clean-up of the ground floor in the former grocery anchor space, leaving as a clean shell for build-out by the commercial tenant(s); also includes \$1.047 million in lease-up and capital expenses

<sup>E</sup> Loan would be interest-only for acquisition and the construction phase, then converts to permanent status upon completion of construction and stabilization of the property

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# Financial Analysis – Housing Only

- Reduce retail footprint
- Increase number of housing units
- Potential to make financing easier
- Would require separation of ownership

Unit Type	Income Level	Monthly Rent	# of Units	Potential Gross Income (Annual)
1-Bedroom	45% of AMI	\$500	3	\$18,000
1-Bedroom	60% of AMI	\$660	25	\$198,000
2-Bedroom	45% of AMI	\$610	4	\$29,280
2-Bedroom	60% of AMI	\$800	28	\$268,800
TOTAL REVENUE:				\$514,080

Gross Income	\$514,080
Vacancy Loss	(\$25,704)
Net Revenue	\$488,376
Operating Expenses (35% of Net Revenue)	(\$170,932)
Net Operating Income	\$317,444

Source	Amount
Bond Loan (First Mortgage)	\$5.1 million
State Housing Trust Funds (Soft Second Mortgage)	\$1.8million
Local Funding (Grants, soft debt)	\$500,000
Non-Competitive LIHTC	\$3.6 million

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# Osceola County: From Underutilized Properties to Affordable Housing







## *Redevelopment Plan Overview*

## W192 Corridor

- Osceola-Polk County line to Hoagland Boulevard
- Community Redevelopment Area (CRA) with Tax Increment Financing (TIF)
- Enhancing the area's appeal to the leisure tourism market and attract new investments



# Vision



20-year vision, Leisure



20-year vision, Destination

## Four Corners



County Line to SR 429

## Paradise



SR 429 to Formosa  
Gardens Blvd

## Imagination



Formosa Gardens Blvd  
to Reedy Creek Blvd

## Celebration



Interstate 4 to SR 417

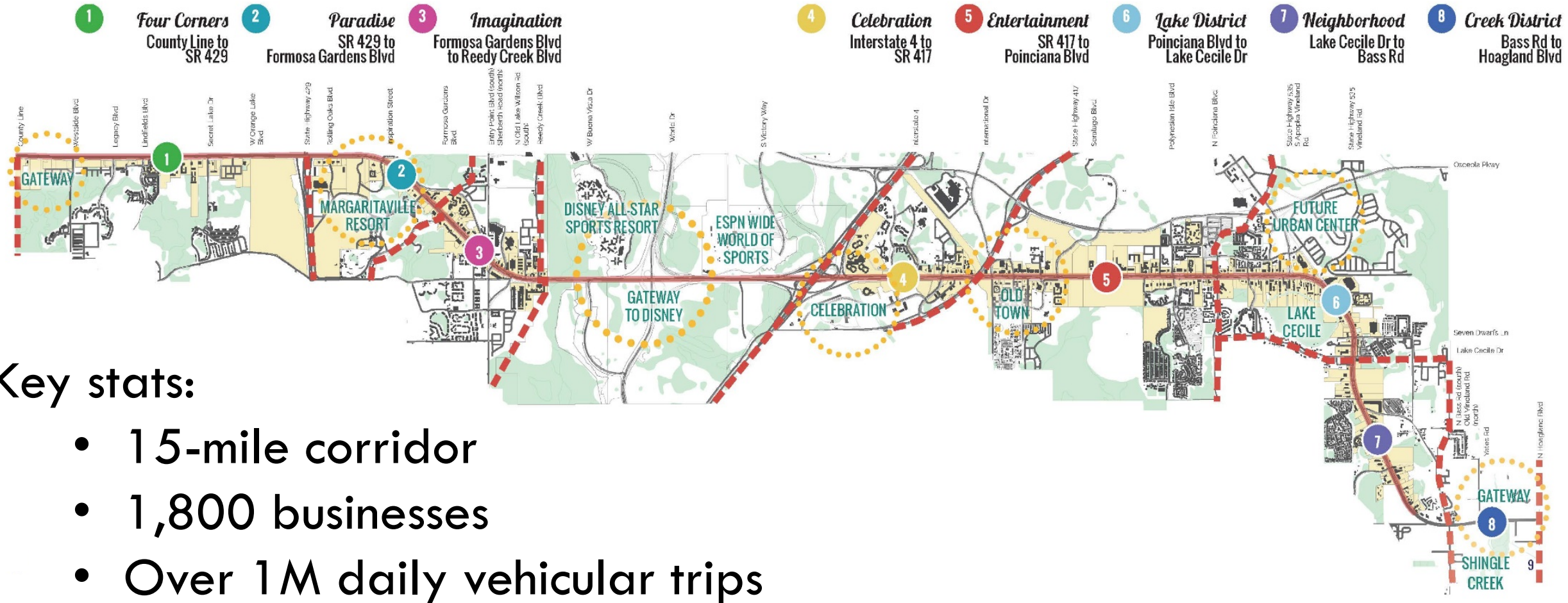
## Entertainment



SR 417 to Poinciana Blvd



# Corridor Overview



## Corridor-Wide Strategies and Actions



**Strategy 1.** Continue to beautify the corridor through aesthetic enhancements.

**Strategy 2.** Enhance consistency with and enforcement of regulations.

**Strategy 3.** Encourage the acquisition of land by the West 192 Development Authority for redevelopment.

**Strategy 4.** Enhance marketing of the corridor as a premier vacation destination.

**Strategy 5.** Emphasize, market and expand natural and recreational assets.

**Strategy 6.** Enhance the overall pedestrian environment.

**Strategy 7.** Enhance information and communication technologies.

**Strategy 8.** Enhance multimodal transportation options indicative of a vibrant vacation destination.

**Strategy 9.** Encourage pride of ownership through maintenance support.

**Strategy 10.** Develop an “exit strategy” for failing, undesirable, or under-performing businesses.

**Strategy 11.** Continue to ensure land uses and type of improvement are consistent with the West 192 Design Guidelines Reference Book.



# Plan Successes, *County Initiatives*



## Increased Safety and Maintenance

Code enforcement efforts have increased substantially in the last five years. This effort can be seen through general increased activity, amount of additional bikers and walkers utilizing the pathways due to increased level and perception of safety, and overall increased aesthetics and clean up along the Corridor.



## Landscape Enhancements

Over the last year, the West 192 Development Authority has been working to install and replace much of the median landscaping to reduce maintenance and provide additional plant variety. Along with the additional private property additions, and large-scale redevelopment options, an increasing amount of diversity in plants and lushness is emerging along the Corridor.



## Lighting Improvements

In 2020, an intensive replacement program was initiated to replace all of the purple sign poles, light poles, and mast arms with black to reduce long term maintenance costs and overall aesthetics. Additionally, all of the street lights have been slated for replacement with new poles and LED light fixtures, an effort currently underway.



## Pedestrian Monitoring

The West 192 Development Authority installed a PedTrax System that monitors the vehicle, pedestrian, and bicycle activity at 19 crosswalks and major intersections along the West 192 Corridor. The system is already in place, and tracks the number, direction, and speed of users. It has been used to support safety initiatives, and will continue to inform additional roadway improvements.

## Sign Replacement

The West 192 Sign Grant Program is the most visible improvement along large stretches of the West 192 Corridor, due to the number of installations; and consistency in design, location, and color. The program has directed nearly \$6.25 M in funding to property owners, resulting in the installation of 160 new monument signs, and replacing the eclectic mix of varying heights of pole signs, cleaning up the cluttered view of the West 192 Corridor. The majority of replacements have taken place in Segments 7 and 8.



## Facade Improvement Program

The West 192 Facade Improvement Grant Program, has provided \$1.25 M in visible improvements for a number of buildings along the West 192 Corridor. The program made it possible for properties to receive a building and/or property face-lift, continuing to clean up the front door of the West 192 Corridor.



# Plan Success, Influencing Private Investment



## Old Town Reinvestment

Old Town has long been a sought after destination for locals and tourists alike. New ownership and a multi-million dollar reinvestment in entry gateway, new carousel and ferris wheel, infrastructure, buildings, access, vendors and additional events has led to a noticeable change.



## Flag Hotels

The addition of several new flag hotels has helped the Corridor transition from a focus on value-priced properties. Notably, the new Fairfield Inn & Suites by Marriott and Embassy Suites by Hilton appeal to a larger customer base of middle-class families and international travelers. These hotels generally provide conference or event space as well, for business travelers or special events.



## Vacation Homes and Timeshares

The market for vacation homes and timeshares has really taken off in the last few years. New developments at Storey Lake, Margaritaville's Cottages, and Magic Village are just some of the new residential options along West 192. Storey Lake is building 581 new units, offering a mix of condos, single-family homes, and townhomes. Magic Village has started phase 1 and 2 development of 374 luxury townhouse vacation rentals, and a 68-unit timeshare condo tower. Margaritaville Cottages has 449 vacation home units for sale, and a new condo hotel.



## Commercial Development

Along with new vacation homes and timeshares, there has been significant additional commercial development along the Corridor. Margaritaville's Promenade at Sunset Walk offers a different retail experience, with a walkable main street feel and oriented inward off the West 192 Corridor. New restaurants and services have also filled in areas along West 192 and out-parcels at the gateway to Celebration.

## Margaritaville Resort Orlando

The design, development and 2019 opening of Margaritaville transformed a once vacant field with a vibrant new tourist attraction changing the dynamic of a large portion of Segment 2 of the West 192 Corridor, and catalyzing adjacent supporting development, including retail and restaurants. The opening of Margaritaville has been a huge tourist draw to the area with a grand hotel, water park, vacation homes and walkable retail area filling up fast with new restaurants and shops.



## Island H2O Live! at Margaritaville

Island H2O Live! is a 12-acre high-tech water park connected to the Margaritaville Resort, with frontage right on West 192. This facility is the first of its kind; themed around social media with a high-tech wristband that allows users to document and customize their experience. Since opening its doors in summer 2019, Island H2O Live! has become a popular destination, even for those that aren't guests or residents of Margaritaville's hotel and vacation homes.



## *Incentives/Programs*

1. Catalyst Site Grant Program
2. Demolition Matching Grant
3. Façade Improvement Matching Grant
4. Monument Sign Grant



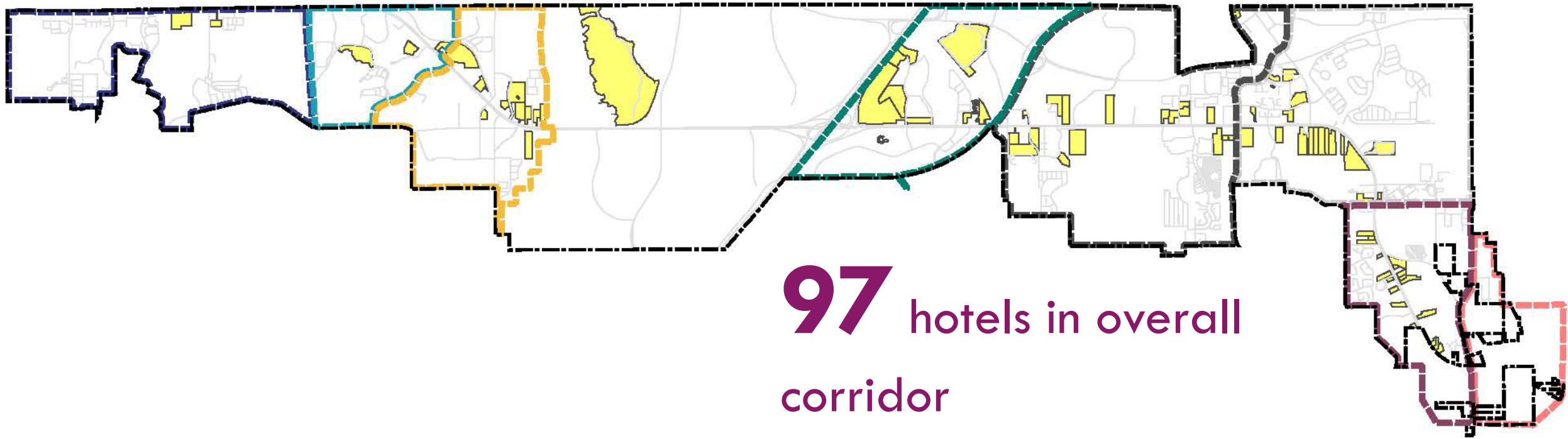


## *Commercial to Residential Conversion*




# Background

- Project was initiated to develop standards to ensure quality conversion of hotels along the West U.S. 192 Corridor
- Moratorium was put into place to slow down applications while regulations were put into place
- A series of task force meetings were held to:
  - Review successful conversion in other communities
  - Develop recommendations to apply to Osceola County
- Recommendations were brought to staff and the BCC for further discussion and to assess applicability

## Corridor Inventory



### Legend

-  W192 CRA Boundary
-  Hotels, Motels, Timeshares
-  Kissimmee City Boundary

**97** hotels in overall  
corridor

**68** within 500' of Hwy  
W192

# *Purpose*

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- To provide regulations to ensure that the conversion of buildings from commercial to multi-family residential follow the same high-quality standards as a new multi-family residential project



## Conversion Case Studies

- Buena Esperanza - Anaheim, California
- The Studios at Hotel Berry - Sacramento, California
- Woodson Historic Residences - Yates Center, Kansas
- Gold Dust Hotel - Fredonia, Kansas
- City of Tallahassee's Ordinance to Address Conversions
- ***Red Lion Inn to Maingate Village – Kissimmee, FL***





# ***Red Lion Inn Conversion***



# Components of the Change of Use Ordinance

- Clear definition that the change of use shall meet the requirements of “New Multi-family residential Development” per section 3.1.1.G.2



# Components of the Ordinance

- New commercial use siting standards for adaptive reuse in East 192 and West 192 CRA areas to include:
  - Min density of 30 DU/Acre
  - Min intensity of 1.0 FAR
  - Min building height of 2 stories
  - West of SR 535, 75% of ground façade floor shall be non-residential
  - All primary buildings must front a right-of-way



# Components of the Ordinance

- New commercial use siting standards for adaptive reuse in East 192 and West 192 CRA areas to include:
  - Building articulation standards to discourage blank walls, break up larger building masses, and encourage variety long the façade
  - Min 20% open space required
  - Requirement to coordinate school bus stops between parcels



# Components of the Ordinance

- Residential buildings between Formosa Gardens Blvd. and the Western County Boundary located 300' or further from the right-of-way are exempt but are required to meet the following:
  - Building interiors upgraded to multifamily residential standards with full kitchens
  - Each unit required to be served by an individual electric and water meters





# ***Magic Castle Potential Conversion***



THE  
**LUNZ**  
GROUP



## Questions?

### □ Contact info:



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RENEW192

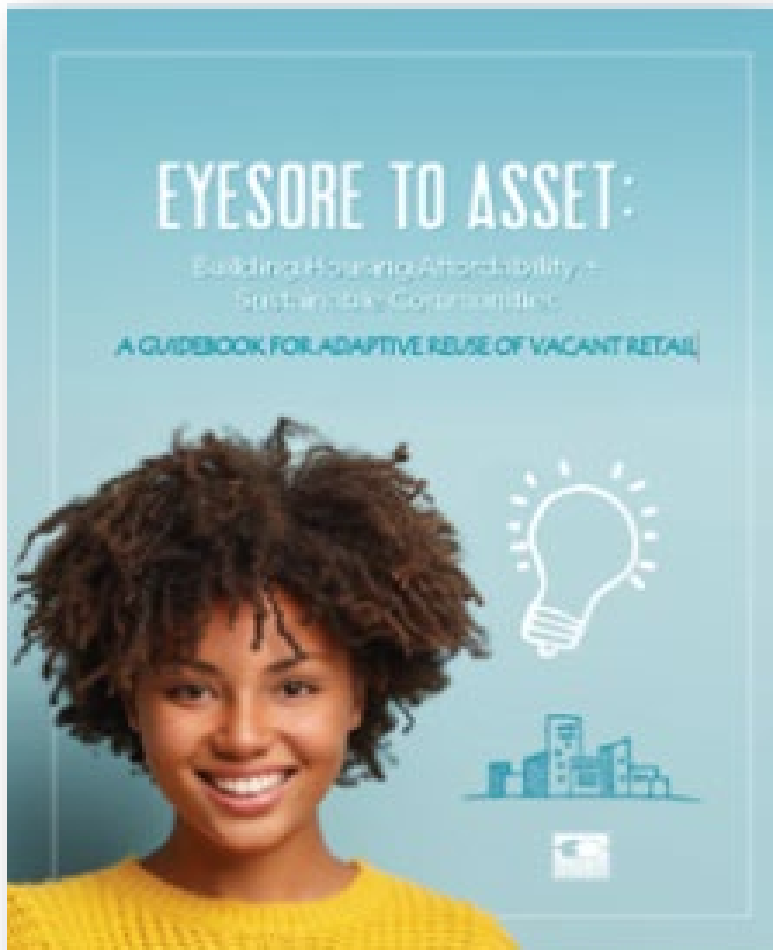
# Questions



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THE FLORIDA HOUSING COALITION





# FHC Publication

Eyesore to Asset: Building Housing Affordability  
+ Sustainable Communities

A Guidebook for Reuse of Vacant Retail

<https://www.flhousing.org/fannie-mae-scic-guidebook-04-2020-1/>

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