



TO: Orlando City Council, December 9, 2019 Agenda  
DATE: November 20, 2019  
FROM: Jason Burton, Assistant City Planning Division Manager  
VIA: Elisabeth Dang, Planning Official  
RE: Temporary Use Permit: DET2019-10201  
WhyHotel – 520 E Church Street, Camden Lake Eola

### BACKGROUND

The Camden Lake Eola project at 520 E Church Street is a multi-family apartment building that is under construction in the Eola South/Thornton Park area on the eastern edge of Downtown. This project on the block bounded by East Church Street, South Eola Drive, Mariposa Street and South Osceola Avenue will contain 360 residential units with ground-floor commercial space at the corner of Church Street and Eola Drive. The project is anticipated to be completed in mid-2020. The project was approved by Planned Development rezoning in December 2015 (Ordinance No. 2015-64, case ZON2015-00020).

The property owner and a potential tenant, WhyHotel, are interested in activating this project in the near-term upon completion of the project through an “apart-hotel” short-term rental model. Most new multi-family buildings have a lag in stocking the building with permanent residents once they are completed – it can take up to a year to attract residential tenants. During this lease-up period, WhyHotel proposes to operate whole unit short-term rentals up to a maximum of two years after the completion of construction, occupying up to 125 units on the property (approximately a third of the total units). Once the lease-up period has ended, the apartment building will revert exclusively to residential uses with zero WhyHotel units going forward. The operator also provides 24 hour/7 days-a-week staff on-site to manage their short-term rental operations similar to that of a hotel; such operation is different than AirBnB or competing corporate rentals (Lyric, Sonder, etc.) that are typically more limited in scope without on-site staffing.

### ANALYSIS

The Land Development Code in Part 4N of Chapter 58 provides for a temporary use permit process that the City Council may approve temporary uses. Temporary uses are defined by the Land Development Code as uses that “because of its limited duration... would not have a detrimental impact on surrounding land uses” and can be related toward emerging development. The planning official is authorized to approve temporary uses up to six months; City Council action is required over that threshold and can typically be approved up to three or more years.

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Therefore, the owner and applicant are requesting that the City Council allow a temporary use permit for whole unit short-term rental of approximately a third of the units as the building fills up with permanent residents. The advantages of providing short-term rentals in a residential building during the lease-up allows the building to be activated in the short-term, while still providing for long-term residential uses to be added to the overall city housing stock. It provides short-term residents that can support the existing businesses in the neighborhood and create more immediate opportunities for leasing the commercial portions of the property due to the infusion of short-term residents. Typically, it may require up to a full year or greater to lease out such a project to permanent residents.

The City's policies have limited permanent uses of short-term rentals to 10% of the overall stock of a given project on a permanent basis as an accessory use; however, in zoning districts where short-term residential units are allowed by right (called "Commercial Dwelling Units" in the Land Development Code), greater amounts of units may be approved by a master plan where long-term renters and short-term renters are typically separated on the project site. Due to the emerging development of this project, the temporary use permit is the proper process for uses that could be approved temporarily of up to three years (where two years is proposed in this case), while controlling for the maximum time allocated to this use. The two years begins upon issuance of a certificate of occupancy for the project, which is expected to occur upon completion of the project in mid-2020.

Staff considers the use to be generally compatible with that of a high-intensity residential community, and will not have a detrimental impact to its surroundings. The area is a high-intensity mixed-use residential district; while lesser residential districts would not be appropriate for such a use, this location on the edge of Downtown Orlando is compatible for such a temporary use. Additionally, the 24/7 staffing of the operations is appropriate for the amount of units being proposed. WhyHotel's model is to operate only during the lease-up of new apartment units in urban communities; to date, they have operated such ventures in the Washington DC and Seattle areas. This project will be their first venture in the southeast United States.

Due to this type of high-rise construction, the building code treats high-rise residential and hotels similarly for exiting and safety concerns. The operator will also collect and remit Tourist Development Taxes for any lease periods less than six months to the County Comptroller. The intent is to treat hotels and short-term rental operators on a level playing field for zoning, safety and taxing purposes.

### RECOMMENDATION

The Planning Official recommends the use be approved by the City Council as a Temporary Use Permit for a maximum of two years beginning at the certificate of completion of building permits. Since the developer has only asked for two years operation during lease-up of the property, staff is not recommending that this use be extended administratively into the future. This allows the residential units to provide permanent housing supply to enhance this high-intensity residential neighborhood going forward into the future.

This authorization as a Temporary Use Permit only addresses the Land Development Code standards related to zoning expressly represented in this memo. The approval is restricted to the location in question and is not transferrable to other parcels of land. The applicant is still responsible to comply with all other applicable requirements of all other regional, state, and federal laws.

Jason Burton, on my staff will coordinate any further needs regarding this Temporary Use Permit; Mr. Burton may be reached at [Jason.Burton@orlando.gov](mailto:Jason.Burton@orlando.gov) or 407.246.3389 to coordinate any further concerns.