

# Adaptive Reuse and Affordable Housing



AFFORDABLE HOUSING CONFERENCE  
**HOME MATTERS**  
 IN FLORIDA



# ADAPTIVE REUSE: A MODEL FOR COMPLETE COMMUNITIES



# Opportunities

## Opportunity 1: Connected Retail



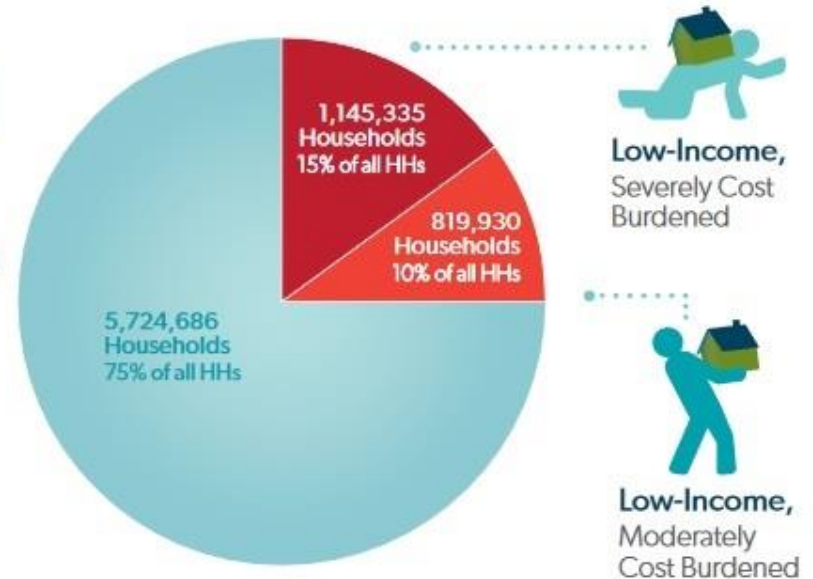


# Opportunities

## Opportunity 2: Live-Work Space

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

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



Source: Florida Housing Coalition, Home Matters 2019

# Opportunities

## Opportunity 3: Public-Private Partnerships



# What's the Scale?

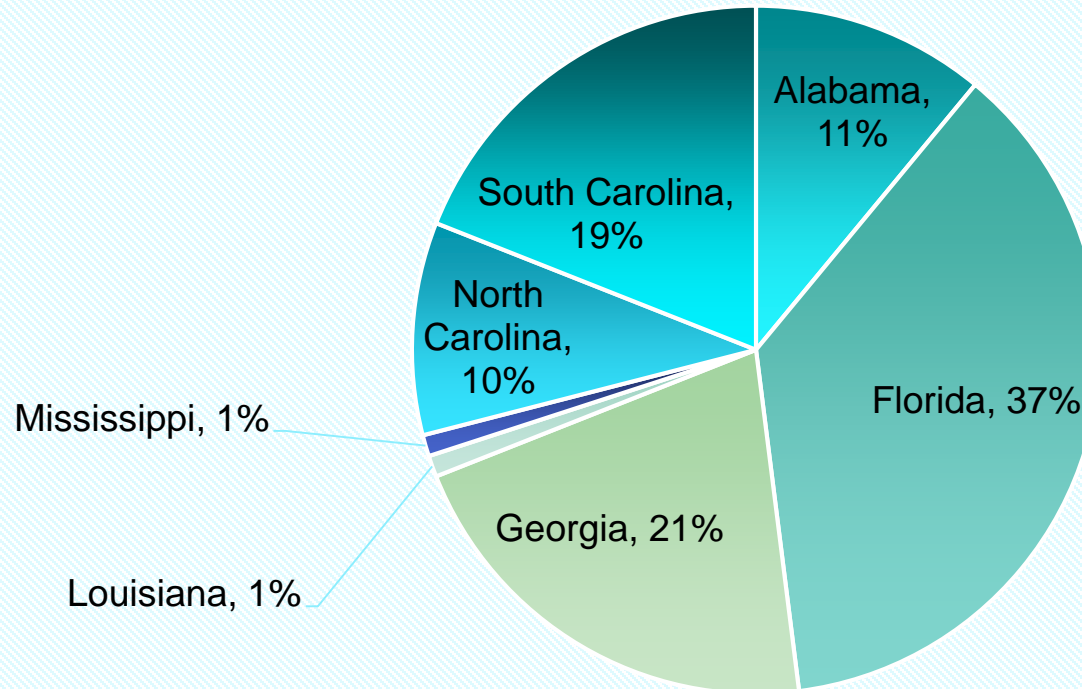
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Two strategies to assess the scale:

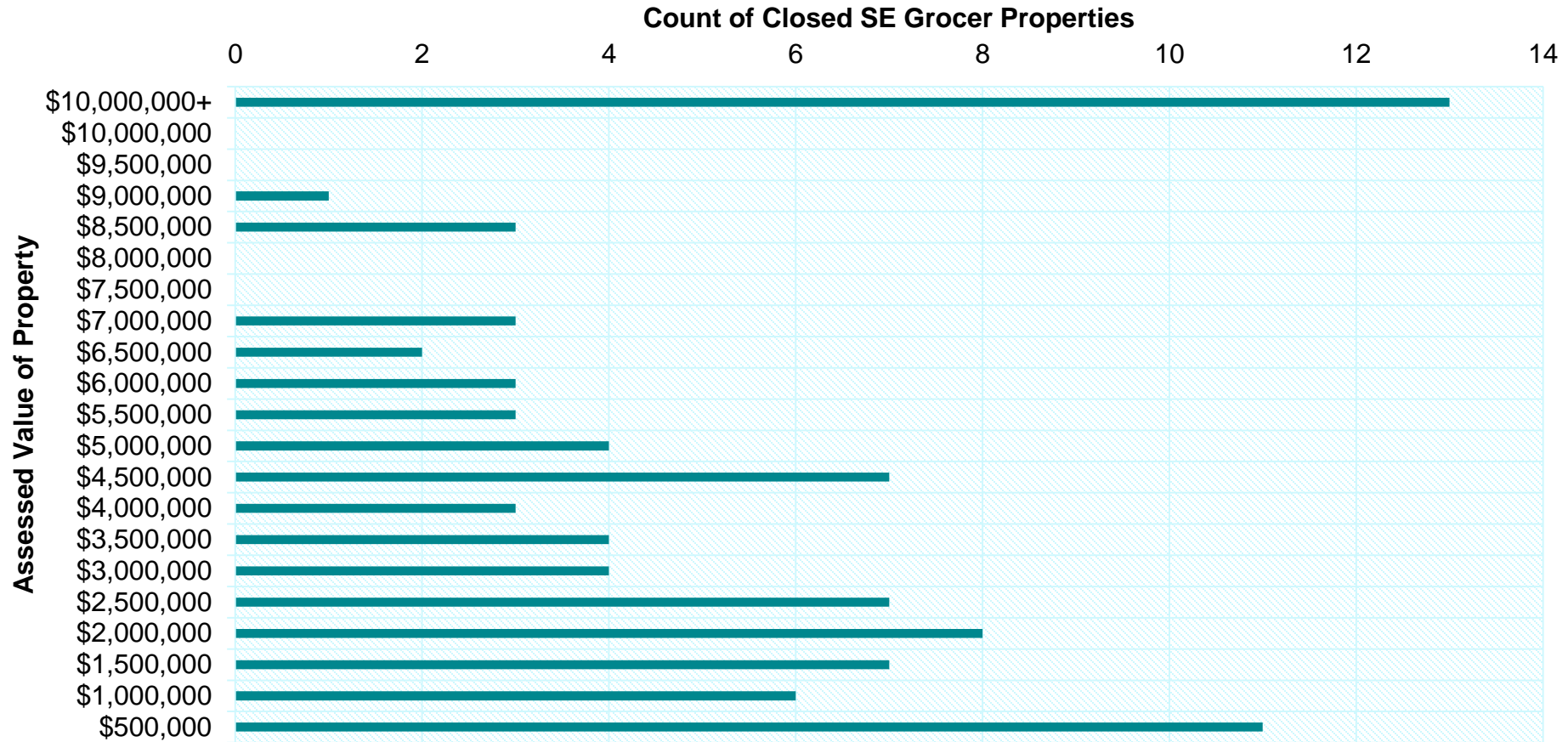
1. Southeast Grocers as case study
2. Data-oriented approach

# SE Grocers Closure - Scale

Share of closed stores by state



# SE Grocers Closure - Scale



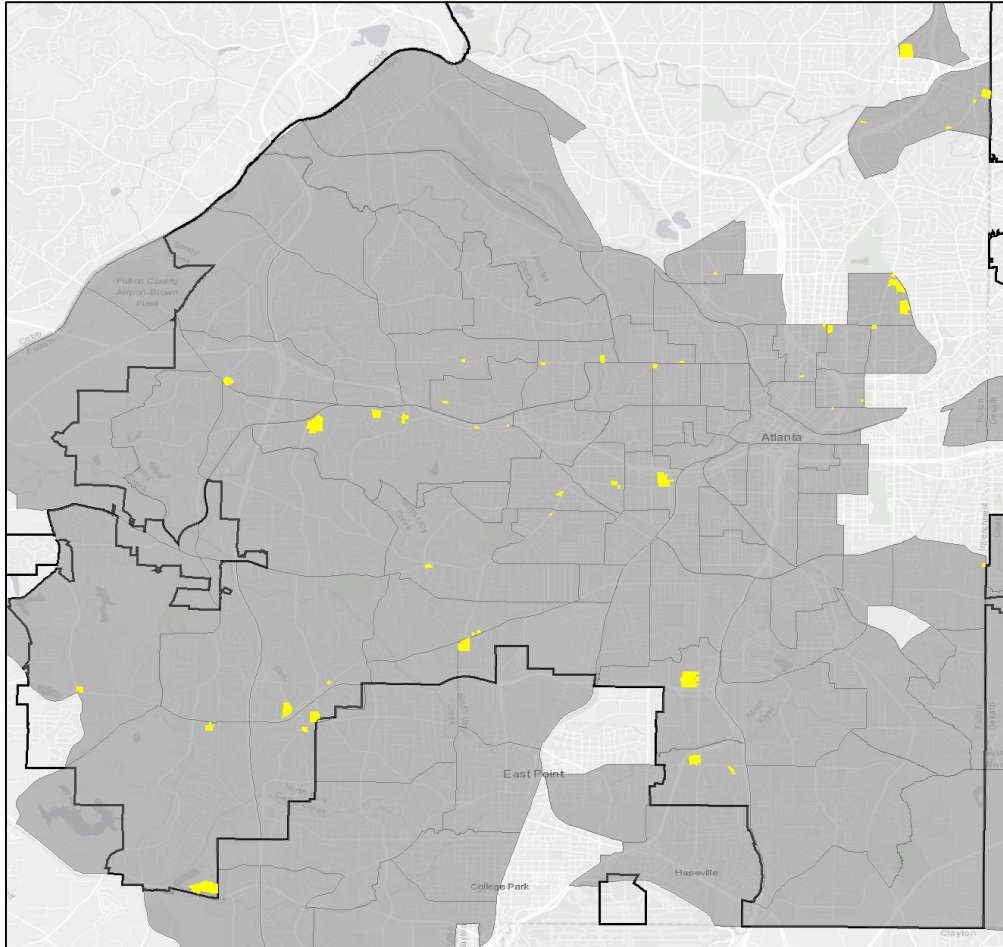


# What's the Scale?

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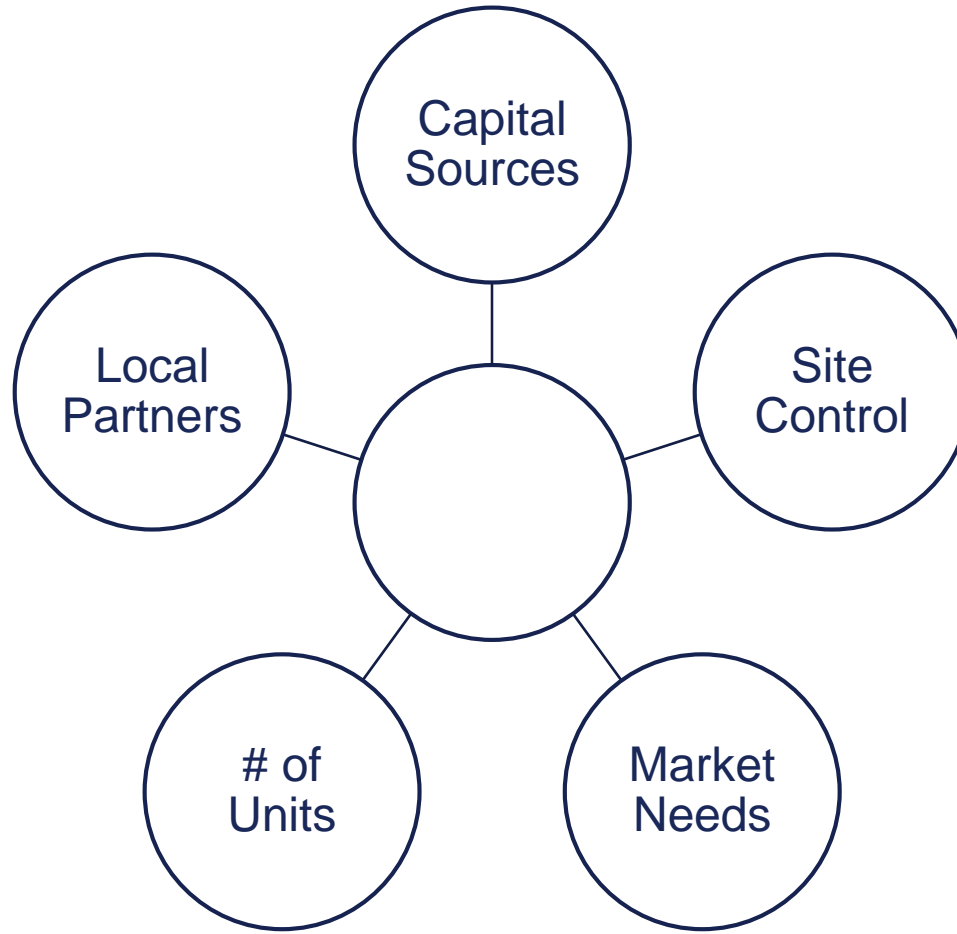
1. Commercial properties
2. 30,000 to 100,000 square feet
3. Vacancy
4. Low-income community (NMTC)
5. Appropriate zoning & land use

# Results



- 18 properties in Denver.
- 10 properties in Atlanta.

# Considerations



# Getting Started

## Identify potential properties



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# Getting Started

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## Identify Barriers to Redevelopment

- Zoning
- Condition of the building
- Willingness of property owner
- Other tenants
- Community support





# Getting Started

## Identify community needs and wants



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# Getting Started

## Identify potential partners

- Local government
- Programmatic partners
- Developer(s)
- Property owner
- Others



# Getting Started

## Identify potential resources

- Financial
- Programmatic
- Others



# Adaptive Reuse of Commercial Space

Tyronda Simpson, Fannie Mae  
Ashon Nesbitt and Ben Toro-Spears,  
Florida Housing Coalition  
Stephen Bender, BNDR  
August 27, 2019





# Fannie Mae Overview

# Fannie Mae at a Glance

## Who are we?

- Fannie Mae is the **leading source of financing for mortgage lenders in the United States.**
- We help make possible the **30-year, fixed-rate mortgage**, a mainstay of the U.S. mortgage market.
- Our financing makes **sustainable homeownership and workforce rental housing** a reality for millions of Americans.
- We aspire to **be America's most valued housing partner.**

## What do we do?

- Fannie Mae provides liquidity to the secondary market via our **mortgage-backed securities.**
- We attract global capital to the U.S. housing market, including housing for **low-and moderate-income homeowners and renters.**



# Sustainable Communities

- **The Sustainable Communities Initiative** is an internal incubator for ideas that identify innovative solutions to address the [shortage of affordable housing in the U.S through partnerships in sectors adjacent to housing](#) (e.g. employment, education and health and wellness). This initiative is an important part of Fannie Mae's Corporate Strategy and directly supports the company's [Strategic Objective on Affordable Housing](#).
- We define **sustainable communities** as [safe, stable and thriving communities](#) that offer residents integrated access to quality affordable housing, and opportunities for **employment, education, and health and wellness**, among other things, so that residents are resilient to shocks and stresses.





# Sustainable Communities Projects Underway

## Innovation Challenge -

- A **two-year, \$10 million** commitment by Fannie Mae to support **innovative ideas that address the lack of affordable housing** across the United States.
- A **three-phased initiative** that will examine how affordable housing intersects with economic opportunity/jobs, healthcare and education.
- Phase one focused specifically on the intersection of affordable housing and employment
- **We received 340+ applications** nationwide and selected Florida Housing Coalition's concept as one of three finalist contract awardees.

## Florida Housing Coalition (FHC) project -

- **Researching and designing a replicable model** for the **adaptive reuse** of large, **vacant commercial space into affordable housing** and **working space** for low-income entrepreneurs
- This project strives to **address** the: 1) **lack of affordable housing near job opportunities**, and 2) **blight** that often plagues communities with vacant commercial spaces
- This project will result in a **whitepaper that can be shared with other cities/towns** interested in adaptive reuse



# Sustainable Communities' Perspectives on the FHC Project

- It tackles the shortage of affordable housing by exploring the **reuse of vacant, big box commercial** space into **multiple affordable housing units**.
- It **targets low-income entrepreneur populations** as a way to connect underserved and underemployed communities with employment.
- Potential **scalability of research findings** with other cities and towns interested in exploring adaptive reuse in their communities
- **Experience and reputation** of Florida Housing Coalition as a known leader in the housing industry

