

TOWN OF HOWEY-IN-THE-HILLS  
MAJOR DEVELOPMENT SUMMARY  
MARCH 2023



PREPARED BY  
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## **INTRODUCTION**

In the period between 2005 and 2008, the Town approved a series of major development projects using planned unit development zoning for the most part and developing projects that conformed to the Village Mixed Use land use classification added to the Town's comprehensive plan in 2010. Many of these projects stalled during the recession beginning in 2008, and as the Florida economy moved out of the recession, there were several requests to revise the approved projects based on changes in the housing market and other factors that were applicable to the individual projects. Additionally, the very active housing market that has emerged in Florida generally and in Central Florida prior to the pandemic. That market continued to some degree through the pandemic and resumed growth thereafter. However, over the past six to eight months the rise in interest rates has affected some of the players in the Central Florida housing market including projects proposed in Howey.

Since 2020, TMH Consulting Inc. has prepared an annual summary of major development projects with the report typically issued in the Fall months. This year, because of the changing housing market an update of the major project is being prepared at the sixth month mark to provide an update to the Town Council and Town staff. This update coincides with the recently adopted SMART goal of providing an "Action Plan Update". Completion of the March 2023 development summary will result in the completion of this goal as one of the Town's Planning and Development targets.

This report serves as this status report. The attached map titled "Howey-in-the-Hills Major Projects March 2023" provides a location for each project. This report will provide a summary of each project and offer some information about the status of each project. The information provided addresses the comprehensive plan and zoning status of each project. The data on each project has been expanded to include information on the provision of public services and to present information about the comprehensive plan and zoning status in a tabular format for easier reference. As has been done previously, the projects have been divided into two groups with the first group being projects that have some level of development approval, and the second group being projects that are more speculative in nature as no development approvals have been issued. In some cases, non-local approvals such as state permits are still required. As a number of projects have changed names, the reference in the report and on the map have been updated to reflect the most current data.

Since the issuance of the October 2022 status report, final plats have been recorded for the Venezia Townhomes Project and the second phase of the Talichet development. Construction of new homes in Talichet Phase 1 continued at a rapid pace. Construction of the townhomes in Venezia is expected to begin shortly. Two national level builders, Hovnanian in Lake Hills and Lennar Homes in The Reserve have withdrawn from these projects, and KB Homes has asked for action on the Thompson Grove proposed development be deferred. The property owner of The Reserve project has taken over the project from Lennar Homes and is proceeding with final subdivision approval for the first residential phase. The Watermark project,

previously identified as the Simpson Trust, has received final zoning approval and the planned unit development agreement has been fully executed and recorded.

Table 1 lists recently completed projects. The Venezia Townhomes and Talichet Phase 2 are included in this group as residential unit construction is expected in the near term. Talichet Phase 1 continues with an aggressive construction schedule with Dream Finders, the builder in Phase 1, expected to move into Phase 2 construction shortly. The Venezia South subdivision is built out. Table 2 lists the projects that have received development entitlements through zoning approval by the Town Council

<b>TABLE 1 RECENTLY COMPLETED DEVELOPMENT PROJECTS TOWN OF HOWEY-IN-THE-HILLS MARCH 2023</b>			
<b>PROJECT</b>	<b>SINGLE-FAMILY</b>	<b>MULTI-FAMILY</b>	<b>TOTAL UNITS</b>
Venezia South	172		172
Venezia Townhomes		113	113
Talichet Phase 1	92		92
Talichet Phase 2	21		21
Total	285	113	398

<b>TABLE 2 MAJOR DEVELOPMENT PROJECT PROPOSALS TOWN OF HOWEY-IN-THE-HILLS March 2023</b>	
<b>DEVELOPMENT ENTITLEMENT</b>	<b>SPECULATIVE</b>
Whispering Hills	Mission Rise
The Reserve/Hilltop Groves	Thompson Grove
Lake Hills	Cedar Creek
Watermark	Westminster Parcel
	J5 Equities

## **PROJECT SUMMARIES**

The individual projects will be reviewed in the following sections except for the Venezia South and Talichet Phase 1 development which have moved into the completed stage.

## **Ongoing Projects and Projects with Some Approval Status**

### **Talichet Phase 2**

Talichet Phase 2 includes 21 single-family lots along a cul-de-sac street extending south from the phase one project. One lot in the original project was removed to accommodate a street connection. The final plat for this phase was recorded in February, 2023 and the lots released for construction. The project has a full commitment of utilities.

### **Whispering Heights (Formerly Whispering Hills)**

Whispering Heights is the one large-scale project that is developing guided by standard zoning classifications rather than a planned unit development agreement. The project is designated as Medium Density Residential by the comprehensive plan and is zoned MDR-2 Medium Density Residential. The MDR-2 zoning was assigned in 2019 which allowed for the project size to increase from 107 to 156 single-family lots. In return for the increase in the number of residential lots, the Town secured an agreement for the project to develop with central sewer rather than developing under the previous approval which allowed 107 septic systems in proximity to Little Lake Harris. Since the rezoning generated a new subdivision design, the project had to go back through the full subdivision review process. The developer is currently working on a final engineering of off-site improvements and response to the Development Review Committee comments in preparation for construction. The project still needs to secure sewage treatment capacity. The Town is working with the Lake County School District on an easement to allow the Whispering Heights project to tie into the sewer lift station in the Venezia Subdivision.

### **Venezia Townhouses**

The original approval of the Venezia development included approval to construct 113 townhouse units. The project received final subdivision plan approval in February 2022 and final plat approval in July 2022. Unit construction is expected to begin in the first quarter of the current calendar year.

### **Lake Hills Development**

The Lake Hills project is located at the intersection of CR 48 and SR 19. The current project was approved in revised development agreement completed in 2016. As designed the project allows 780 housing units divided among single-family lots in a variety of lot sizes, attached dwellings and townhouses. The project also allows 150,000 square feet of commercial use and 176,000 square feet of institutional use.

The Town had received an application for final subdivision plan approval for 650 units, many of which were to be age restricted to 55 years of age and older. This proposal has been abandoned and any residential development will be delayed. The

Town is still moving forward with a new water treatment plant to serve the northern half of Town on a two-acre site located within the project, and Lake County School Board has purchased 19 acres within the Lake Hills project for a future elementary school. The project will have adequate water available to support development once the new wells are installed. The project still needs a sewage treatment capacity commitment.

The development agreement amended January 25, 2016 included a provision as Section 13 requiring the first phase of development evidenced by either a site plan approval or a subdivision approval to be completed within five years (January 25, 2021). If the first phase improvements are not begun, the Town may terminate the agreement or require the owner to comply with new land development regulations. On February 2, 2017 the Town received a notice from the property owner claiming an extension of the development approval to November 28, 2023 as permitted by F.S. 252.363(1)(a). The Town is required to grant this extension by state law. Once the project meets the initial performance standard for development, the entire project is vested. Approval of a site plan for a portion of the commercial section of the project would be sufficient to meet the vesting test. Residential development is not required.

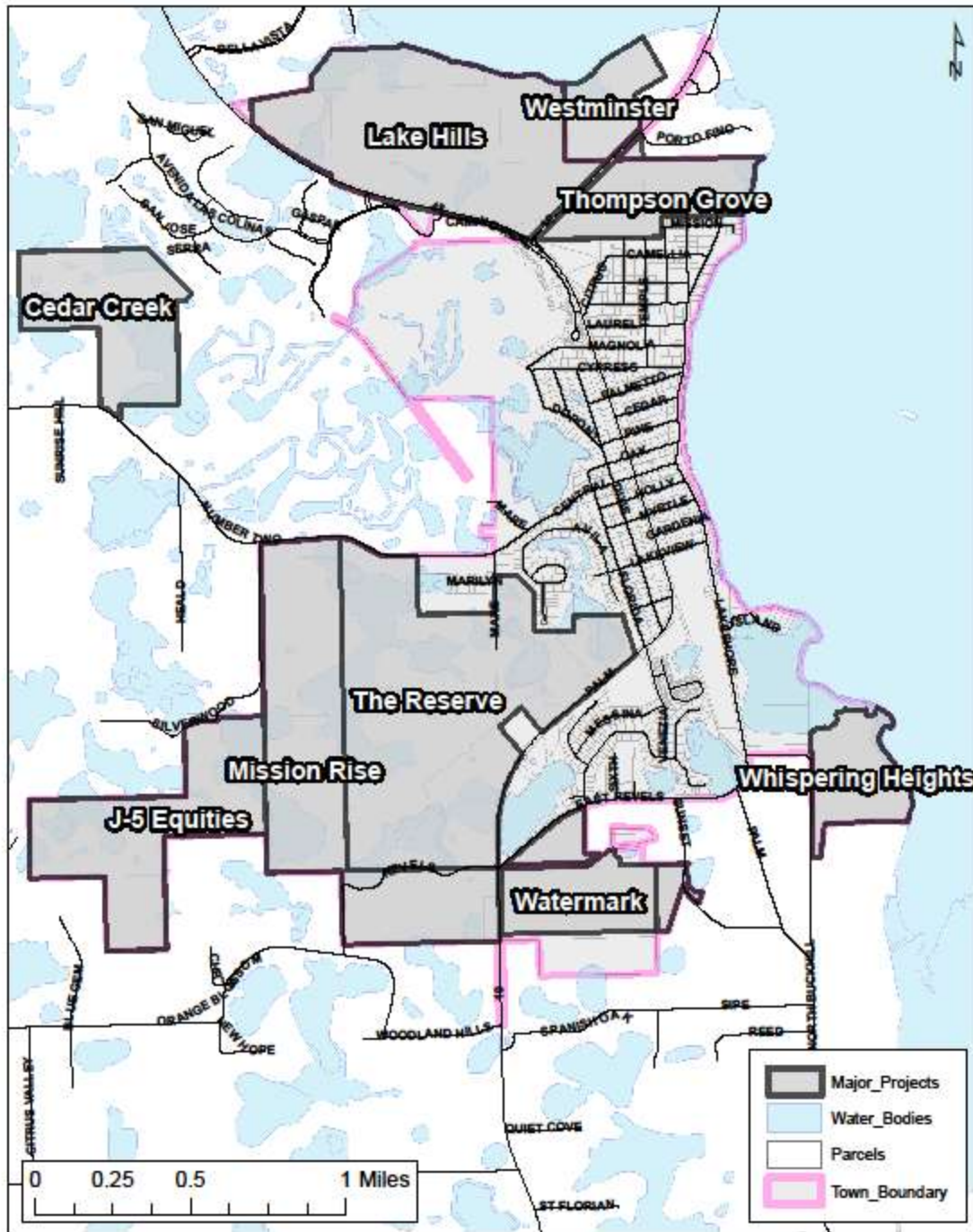
### **The Reserve**

The residential portion of Reserve project was amended in November 2021 (Ordinance 2021-010) to modify the street layout and types of units permitted. The 2021 amendment included 284 single-family homes on standard lot designs, 291 single-family cluster homes and 153 townhouse units. Additionally, the plan allows a self-storage facility of up to 105,000 square feet, office, and commercial space up to 300,000 square feet and institutional use up to 100,000 square feet (likely a church site). The master plan also includes six single-family lots along South Florida Avenue that match the lot sizes of the units on the east side of South Florida Avenue. The revised plan for the residential sections of the project includes major revisions to the street layout, a completely revised park plan, and an expanded bicycle and pedestrian network.

In September 2022 an amendment to the November 2021 preliminary subdivision plan was submitted that refined the residential portion of the project. The unit mix was revised to include 302 single-family units, 280 cluster units and 146 townhouse units, but the major changes were to the roadways. The collector road through the residential portion of the project was reduced to two-lanes and several other road alignments were modified.

In December 2022, the Town was advised that Lennar Homes was no longer pursuing final subdivision approval for the first phase of residential development. The first phase residential approval is now being pursued by the property owner with submittals expected in late March or early April 2023. The self-storage facility has received final site plan approval and the project is approved to begin construction.

# Howey in the Hills Major Projects March 2023



### **Watermark (Simpson Parcel)**

The Watermark project is located at the southeast corner of the intersection of Revels Road with SR-19. On November 28, 2022 the Town Council approved Ordinance 2022-16 allowing the Watermark development with 225 single-family lots measuring 80 x 120 and 70 x 120 with at least half of the lots being the larger size. The development agreement for the project was fully executed and recorded in March 2023. There is water capacity for the project, but sewer capacity still needs to be reserved. Line extensions for both services will also be required.

### **Speculative Projects**

The projects that have been designated as speculative projects are proposed developments that have been presented to the Town for review but have not yet attained any formal approval status. Depending on future actions, these projects may be approved as submitted, undergo modification prior to approval or fail to obtain development approvals. In addition to the following projects being considered by the Town, there is a nearby project, Drake Point, which includes 530 single-family units located north along CR 48 that has been approved by Lake County and would clearly impact traffic in Howey. The Drake Point project has been approved to provide its own water and sewer plants.

### **Thompson Grove**

This project is located at the southeast corner of the intersection of CR 48 with SR-19 and extends from SR 19 to the northern end of "Old Howey" east of SR 19. The proposal submitted is for 272 single family lots and an amenity center. Proposed lot sizes include 100 x 120 (21 lots), 60 x 120 (58 lots) and 50 x 120 (193 lots). The proposal exceeds the maximum density of two units per acre allowed by the Low-Density Residential Land Use applied by the comprehensive plan. The property owner is seeking approval to amend the future land use designation to medium density residential (maximum four units per acre) and to approve a PUD permitting lot sizes as described above. A minor annexation is also required. These applications have been under technical review through the Town's development review process, and in February 2023, the applicant requested that review of the applications be suspended until further notice.

### **Cedar Creek (Carter Trust Property)**

This project consists of approximately 161 acres located west of the Mission Inn development and north of Number Two Road. The project is in unincorporated Lake County but within the Town's utility service area. The applicants are pursuing development under the Town's MDR-2 zoning classification which requires a minimum of 75 x 120 foot lots with a minimum area of 9,000 square feet. The current plan proposes 171 units. To support the requested zoning the applicants have requested Medium Density Residential land use be applied to 80 acres on the future land use map. The balance of the project will be devoted to conservation and utility uses

under the proposed plan. The Planning Board reviewed the project in January 2023 and recommended Low Density Residential land use and SFR single Family Residential zoning. The application is awaiting Town Council review. To proceed the project will require annexation into the Town corporate limits, assignment of a suitable future land use classification and assignment of an appropriate zoning classification. Under the current interlocal agreements, Lake County is required to consent to the annexation.

### **Mission Rise**

The Mission Rise development is a large L-shaped parcel connecting between SR 19 and Number Two Road. In the early reports, Mission Rise was considered an approved project, but a revised plan proposed by a development group was not approved and the original development agreement expired. As originally approved the project allowed 400 single-family homes on 75-foot-wide lots. The property retains its comprehensive plan designation as Village Mixed Use and is entitled to develop under the goals, objectives, and policies in the comprehensive plan for VMU properties. The Town has held a pre-application meeting with potential developers for the property, but a formal submittal is still pending.

### **Westminster Parcel**

This project is located just west of the bridge on the north side of SR-19. It abuts the eastern end of the Lake Hills property. The project proposal is for senior housing in two basic types. The project is considering 300 to 350 townhouse units for independent living and an ALF of undetermined size. Based on the parcel size, residential density will approach ten units per acre. The property is still within unincorporated Lake County and will require annexation, amendment to the comprehensive plan and application of suitable zoning. A pre-application meeting was held in November 2021 to review the development options. This project is currently on hold pending further action by the applicant.

### **J-5 Equities Proposal**

This project proposal encompasses the remaining Town area west of the Mission Rise location. The Town has held a pre-application meeting for the project area, but no formal applications have been received. The project proposed about 600 residential units which will require development under the Town's Village Mixed Use land use classification, which is the land use designation currently applied to the property. The property is currently zoned agriculture and is being used in that manner. Proposed residential lot sizes have not been determined. If the development proceeds, a rezoning to PUD is required by the comprehensive plan, and development must meet the Village Mixed Use requirements. A portion of the project area falls within the County's Yalaha-Lake Apopka Rural Protection Area. There is no information at this time on how this designation might impact the project design.



## STATISTICAL SUMMARY

The following tables summarize the individual projects that have some level of approval to provide an overall planned development total for the Town and those projects that have been proposed but do not yet have approval status. The single-family component for Venezia South is excluded as these units are essentially part of developed portion of the Town.

<b>TABLE 3 DEVELOPMENT PROJECT PROFILES APPROVED PROJECTS</b>					
<b>Project</b>	<b>Single-Family</b>	<b>Multi-Family</b>	<b>Total Units</b>	<b>Commercial Area</b>	<b>Other Area</b>
Venezia South				85,000	
Talichet Phase 2	21		21		
Whispering Heights	156		156		
Lake Hills	780		780	150,000	176,000
The Reserve	582	146	728	300,000	205,000
Watermark	225		225		
<b>TOTAL</b>	<b>1,764</b>	<b>146</b>	<b>1,910</b>	<b>535,000</b>	<b>381,000</b>

Notes:

1. Venezia South phases are complete. Only commercial area remains.
2. Lake Hills is the project entitlement. Unit split between single-family and multi-family are not available.
3. The Reserve data is the most recent approved amendment total.

<b>TABLE 4 DEVELOPMENT PROJECT PROFILES PROPOSED PROJECTS WITH NO APPROVAL STATUS</b>					
<b>Project</b>	<b>Single-Family</b>	<b>Multi-Family</b>	<b>Total Units</b>	<b>Commercial Area</b>	<b>Other Area</b>
Mission Rise	400		400		
Thompson Grove	272		272		
Westminster		350	350		ALF
Cedar Creek	171		171		
J-5 Equities	607		607		
<b>TOTAL</b>	<b>1,450</b>	<b>350</b>	<b>1,800</b>		<b>ALF</b>

Notes:

1. Mission Rise total units is based on the most recent approved plan. The comprehensive plan allows for four units per acre on the total net acreage as the maximum unit total. Net acreage excludes wetlands and waterbodies.

Tables 5 and 6 provide additional information on the status of those projects that have received some level of development approval. Table 5 identifies the current land use designation from the comprehensive plan, the current zoning assigned to the property and the project status in the subdivision process. The Preliminary Subdivision Plan lays out the basic lot and street patterns. The Final Subdivision Plan includes the detailed engineering necessary to verify compliance with the state and local codes and authorizes the start of construction. The Final Plat formally records the lots in the public records and allows the lots to be sold.

Table 6 provides a summary of the project status regarding potable water, sanitary sewer and the provision of recreation facilities. For water and sewer, the table identifies if the project has a commitment of treatment capacity and whether distribution and collection lines have been extended to the site. The status on recreation notes whether the project includes parks and/or community facilities such as a community building.

<b>TABLE 5 DEVELOPMENT PROJECT STATUS LAND USE, ZONING AND SUBDIVISION MARCH 2023</b>					
<b>Project</b>	<b>Comp Plan</b>	<b>Zoning</b>	<b>Prelim Sub. Plan</b>	<b>Final Sub. Plan</b>	<b>Final Plat</b>
Venezia South	VMU	PUD	Yes	Yes	Yes
Talichet Phase 2	VMU	PUD	Yes	Yes	Yes
Whispering Heights	MDR	MDR-2	Yes	No	No
Lake Hills	VMU	PUD	No	No	No
The Reserve	VMU	PUD	Yes	No	No
Watermark	MDR	PUD	Yes	No	No

Note: VMU is Village Mixed Use and MDR is Medium Density Residential.

<b>TABLE 6 DEVELOPMENT PROJECT STATUS WATER, SEWER, AND RECREATION MARCH 2023</b>					
<b>Project</b>	<b>Water</b>		<b>Sewer</b>		<b>Recreation</b>
	<b>Capacity</b>	<b>Lines</b>	<b>Capacity</b>	<b>Lines</b>	
Venezia South	Yes	Yes	Yes	Yes	No
Talichet Phase 2	Yes	Yes	Yes	Yes	No
Whispering Heights	Yes	No	No	No	Yes
Lake Hills	Yes	No	No	No	Yes
The Reserve	Yes	No	Yes	No	Yes
Watermark	Yes	No	No	No	Yes

Development project tracking is a dynamic process as project concepts can change rapidly and new projects are presented. Most Howey residents are aware of highly active development proposals further west in the Leesburg area and Groveland to the south has been a very active development area in recent years. The Town has received inquiries about land area along the Town's southern border, but none of these inquiries have moved to the point of preliminary discussions sufficient to identify a project scope.

## **DEVELOPMENT TRENDS**

2023 is the fourth consecutive year that this major development summary has been produced. Over the past three years some development trends have emerged, and it seems appropriate to call out these trends as the Town reviews projects and looks to decide on the future of the developments, both entitled and prospective. The key trends and issues identified to date are as follows:

**Smaller lot sizes:** There is almost a universal push from the development community to build on smaller lots developed as single-family ownerships. The predominant size for requested lots is for a 50-foot-wide lot with varying lot depths from 100 feet to 120 feet. With Watermark and the pending Cedar Creek, the Town has been successful in moving the projects to include larger lots than originally proposed. These two projects are effectively applying the Town's standard MDR-2 zoning although in some cases in a planned unit development format. The other pending projects are still seeking smaller lot size approvals.

**House sizes remain large:** While lots are shrinking, house sizes are not. Few units are being constructed at the minimum dwelling unit size required by code. Having larger houses does help maintain higher property values, but the parcels have relatively high lot coverage and smaller setbacks, especially for side yards. The outcome is houses that are close together, typically 10 feet between units, and reduced space to accommodate accessory structures including sheds and swimming pools. Again, with Watermark and Cedar Creek the Town has been successful in applying somewhat larger setbacks, especially with spacing between units.

**Single-family units dominate:** While the Village Mixed Use land use category and the use of planned unit development zoning offers the opportunity to develop mixed use communities, single-family units dominate the building types. The Town has expressed a strong sentiment for owner-occupied single-family units and this desire may be directing the proposed unit mix to some extent.

**Affordable housing is limited:** The dominance of single-family units in the product mix and the continued larger size of housing units negatively impact the affordability of new housing stock. While unit type and unit size are far

from the only factors limiting housing affordability they will have a negative effect on affordability.

**Subdivisions not neighborhoods:** Except where the Village Mixed Use land use category demands the inclusion of recreation opportunities and civic land uses including community centers, churches and schools, most projects are simply subdivisions with no elements that contribute to neighborhood identity and opportunities for social interaction. Venezia South and the Talichet subdivisions are clear examples of this trend. They offer no community-based assets that might promote social interaction among subdivision residents. The only common areas are stormwater retention ponds. The large Village Mixed Use projects such as The Reserve and Lake Hills do include parks, walking and cycling trails, and community facilities because they are mandated by the VMU policies. Both Watermark and the proposed Cedar Creek include community amenities and park areas in part as a result of the Town Council stressing these items. The Town's response to these last two projects may result in modification of this trend locally.

**Early commercial interest:** When the Lake Hills project appeared to be moving forward with its residential development, the Town saw the first interest in developing in any of the approved commercial areas. This action suggests the Town is getting close to the residential base that would support additional commercial development. Discussions with Lake Hills commercial have continued and there may be action regarding development of the commercial portion of the project in advance of the residential areas.

**Public service limitations:** With the volume of approved and potential development, the Town is seeing its first negative impacts on the ability to provide public services including potable water and sewage treatment. The existing north water treatment plant is in the process of being replaced and will provide adequate treatment capacity for the north end of town once the project is complete. The Town's sewage treatment provider has advised the Town that there is not currently capacity at the treatment facility. Approved projects such as Whispering Hills and Lake Hills may be delayed until additional capacity becomes available. The Town has set a goal of getting into the sewer service business and is currently considering options to provide sanitary sewer service, but a formal plan is still emerging.

**Traffic issues are emerging:** The most recent traffic impact assessments are showing intersection issues at key locations along SR 19. As development impacts Number Two Road, this route will need some upgrade as well. It is substandard in width and right-of-way is limited for much of its length. The Town is working on a fair share program for traffic mitigation as a solution to these problems. Coordination will be required with FDOT and Lake County as the controlling agencies for the arterial and collector roads serving the Town, and quite a bit of work remains to put the fair share system in place.

**New school capacity:** The new residential projects are encountering concurrency issues with schools and Lake County Schools are experiencing capacity problems at the elementary, middle, and high school levels. The school district has responded by purchasing a 19-acre school site identified within the Lake Hills development, and by entering into mitigation agreements that provide funding to assist with other school capacity projects.

**Regional impacts:** As the Town considers development within its borders, it is important to keep in mind that extra-jurisdictional impacts are still likely. The closest example of this is the approved Drake Point project on CR 48 between SR 19 and Yalaha. But there are also projects in Leesburg to the west and Groveland to the south which will impact Howey, especially roads, to some degree.