



Cover Memorandum/Staff Report

File #: 25-1295

Agenda Date: 10/21/2025

Item #: 7.D.

TO: Mayor and Commissioners
FROM: Anthea Gianniotis, Development Services Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: October 21, 2025

RESOLUTION 212-25: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO ACCEPT A ONE-TIME PAYMENT OF \$160,000 IN LIEU OF PROVIDING ONE ON-SITE WORKFORCE HOUSING UNIT FOR THE PROJECT KNOWN AS ATLANTIC GROVE; RELEASING THE WORKFORCE HOUSING COVENANT FROM 63 NW 4TH AVENUE, AS MORE PARTICULARLY DESCRIBED HEREIN; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Recommended Action:

Review and consider Resolution No. 212-25 authorizing the City Manager to accept a one-time payment of \$160,000 in lieu of providing one on-site workforce housing unit for the project known as Atlantic Grove, and releasing a workforce housing covenant on the property located at 63 NW 4th Avenue.

Background:

Pursuant to Section 4.7.3 (B) of the Land Development Regulations (LDR), *developments requesting an increase in height and / or density must provide a proposal to provide workforce housing units onsite, through an in-lieu payment, by delivery of offsite units, or a combination of these three options.*

In the first phase of Atlantic Grove, over a decade ago, New Urban Communities provided 10 workforce housing units. The workforce housing program was less formal, and at the time deed restrictions were not required for the project. However, a review of property records indicates the majority of those workforce units are still owned by the original purchasers.

In 2021, the final phase of Atlantic Grove was approved, adding 14 townhouses. Under the current LDR, this final portion of the project required a formal agreement for the provision of one workforce housing unit for the increase in density, and New Urban Communities agreed to provide one unit. The attached restricted covenant was recorded. The applicant has encountered challenges selling the Workforce Housing unit, which are articulated in the attached request letter. Atlantic Partners LLC is the owner of the lot, and proposes to provide an in-lieu payment to the City's Housing Trust Fund, which is identified as an acceptable option pursuant to LDR Section 4.7.3(B).

LDR Section 4.7.3(B)(2) sets forth a payment of \$160,000 per unit payable to the City of Delray Beach Housing Trust Fund. The unit would be sold as a market rate unit.

Since a workforce housing covenant has already been recorded, this resolution formalizes the change and, upon receipt of the payment, authorizes the City Manager to release the covenant.

City Attorney Review:

Reviewed for form and sufficiency

Funding Source/Financial Impact:

N/A

Timing of Request:

This is the final unit for sale in the project.