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Due Diligence Report (Artist Alley)

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350 NE 4th St, Delray Beach, FL 33444 / Parcel No: 12-43-46-16-01-089-0290
358 NE 4th St, Delray Beach, FL 33444 / Parcel No: 12-43-46-16-01-089-0360

Client: Delray Beach Community Redevelopment Agency

Prepared by: Peacock Architects

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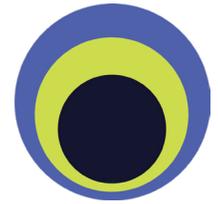
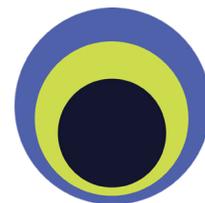


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1

EXECUTIVE SUMMARY

1.0 Executive Summary

This Due Diligence Report evaluates the redevelopment potential of three adjacent parcels located along NE 4th Street in Delray Beach, Florida, within the Central Business District (CBD) Railroad Corridor Sub-District and the Pineapple Grove Neighborhood Plan area. The purpose of this study is to assess regulatory feasibility, policy alignment, and planning-level residential capacity under multiple regulatory frameworks. The analysis is intended to test order-of-magnitude development potential rather than establish a final development program, unit count, or financial feasibility.

At a planning level, the subject parcels are capable of supporting multi-family residential development under existing CBD zoning and, alternatively, under the Live Local Act incentive framework. Preliminary residential yield testing indicates that development capacity varies based on regulatory path and affordability participation, and parking requirements.

When applicable residential parking ratios are applied using the assumed unit mix, planning-level analysis indicates that a single level of under-building parking is estimated to support approximately 116 to 146 residential units. Development beyond this range would likely require additional structured parking or confirmation of parking reductions through coordination with the City of Delray Beach.

While Live Local may result in a lower overall unit count, it provides regulatory flexibility, long-term affordability commitments, and policy alignment that may enhance overall feasibility.

The subject parcels are zoned Central Business District (CBD), and rezoning is not anticipated to be required to pursue residential or mixed-use redevelopment in principle. Development capacity is governed primarily by form-based standards, including building placement, frontage requirements, massing controls, and contextual adjacency conditions, rather than by fixed density or FAR limits. NE 4th Street is designated as a Secondary Street, providing flexibility in ground-floor programming subject to applicable frontage standards and City interpretation.

The site benefits from direct frontage along NE 4th Street and access to a public alley along the western edge of the parcels. The eastern edge of the site is defined by the railroad corridor, while the rear of the site abuts a civic / arts facility. These adjacency conditions represent typical urban infill considerations and are not anticipated to preclude redevelopment, though they will influence building orientation, buffering, and service organization during later design phases.

At a due diligence level, municipal water, wastewater, and utility services are anticipated to be available to serve redevelopment of the site. Confirmation of service capacity, connection locations, and potential infrastructure upgrades will be required during subsequent engineering phases; however, no utility-related fatal flaws were identified as part of this review.

Residential and workforce housing are viable program components in principle. Incentive-based strategies, including the Live Local Act, may enhance feasibility depending on workforce housing participation levels and City interpretation. Final residential yield, unit mix, and development configuration remain dependent on confirmation of program assumptions, parking strategy, and CRA policy direction.

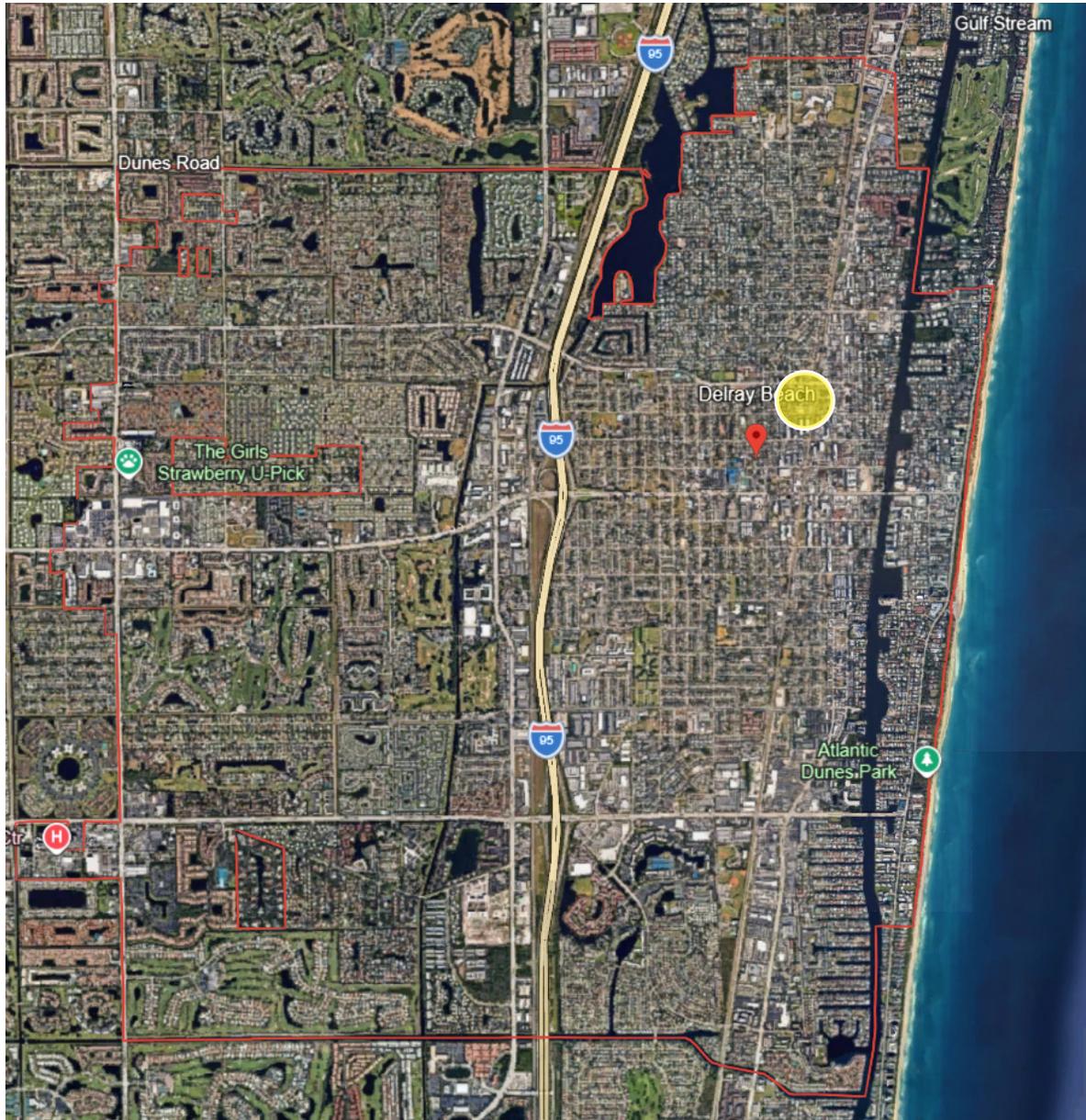
Overall, this due diligence review did not identify any zoning, access, infrastructure, or contextual constraints that would preclude redevelopment of the subject parcels. The primary remaining variables affecting feasibility relate to programmatic decisions and regulatory path selection rather than site capacity. This report is intended to inform CRA decision-making and does not constitute a feasibility study, financial analysis, or entitlement approval.

2

SITE OVERVIEW



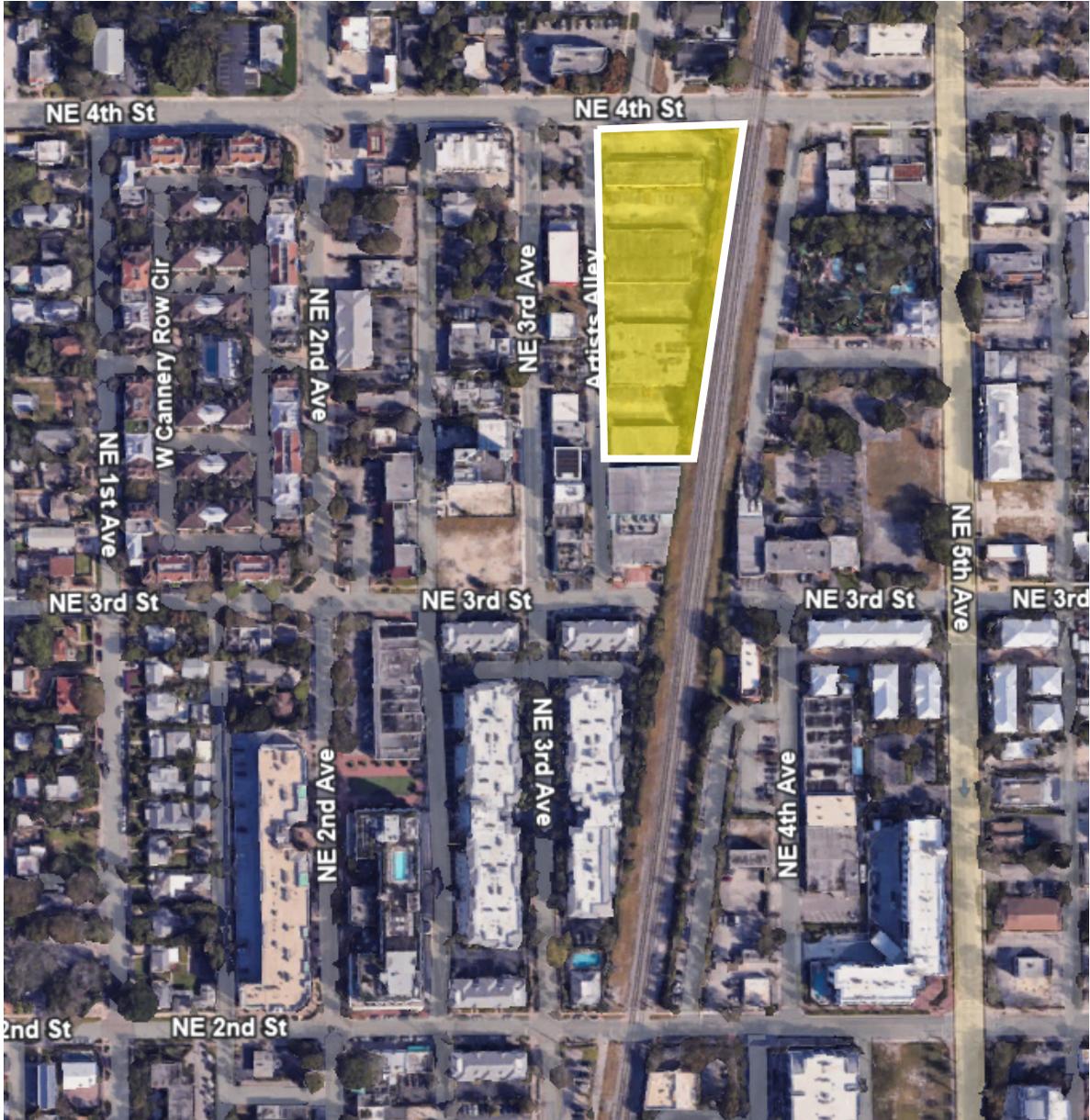
2.1 Vicinity & Location



Vicinity Map

 Site Location





Location Map

 Site Location



2.2 Site & Context

PARCEL 1

330 NE 4th St, Delray Beach, FL 33444

Parcel No: 12-43-46-16-01-089-0180

PARCEL 2

350 NE 4th St, Delray Beach, FL 33444

Parcel No: 12-43-46-16-01-089-0290

PARCEL 3

358 NE 4th St, Delray Beach, FL 33444

Parcel No: 12-43-46-16-01-089-0360

The subject site consists of three adjacent parcels located along NE 4th Street in Delray Beach, Florida. The parcels are situated within an established urban area located north of the downtown core within the City of Delray Beach Community Redevelopment Area. For due diligence purposes, the parcels are evaluated collectively due to their proximity and redevelopment potential as a unified site.

Surrounding Uses & Adjacencies

- **North:** Low to medium density residential development
- **South:** Residential and mixed-use development toward the downtown core
- **East:** Railroad corridor, with adjacent residential and service-oriented uses
- **West:** Public alley providing secondary access, with adjacent residential and civic uses beyond

Street Network & Access

- Primary frontage along NE 4th Street, a local east–west roadway
- Secondary connectivity provided by the surrounding local street grid
- Site access anticipated from NE 4th Street, subject to further verification.
- No known state roadway frontage or FDOT access management constraint
- Intersection control and traffic operations to be confirmed at a later phase
- A public alley along the western edge of the parcels may provide opportunities for secondary access, service, or utility coordination, subject to further verification.

Contextual Considerations

- Local street conditions suggest lower traffic speeds relative to arterial corridors
- Compatibility with adjacent residential uses will influence massing, access, and servicing
- Context supports clear organization of resident, visitor, and service access.

Parcel size, configuration, and combined site characteristics are discussed further in the following section.



North



South



East



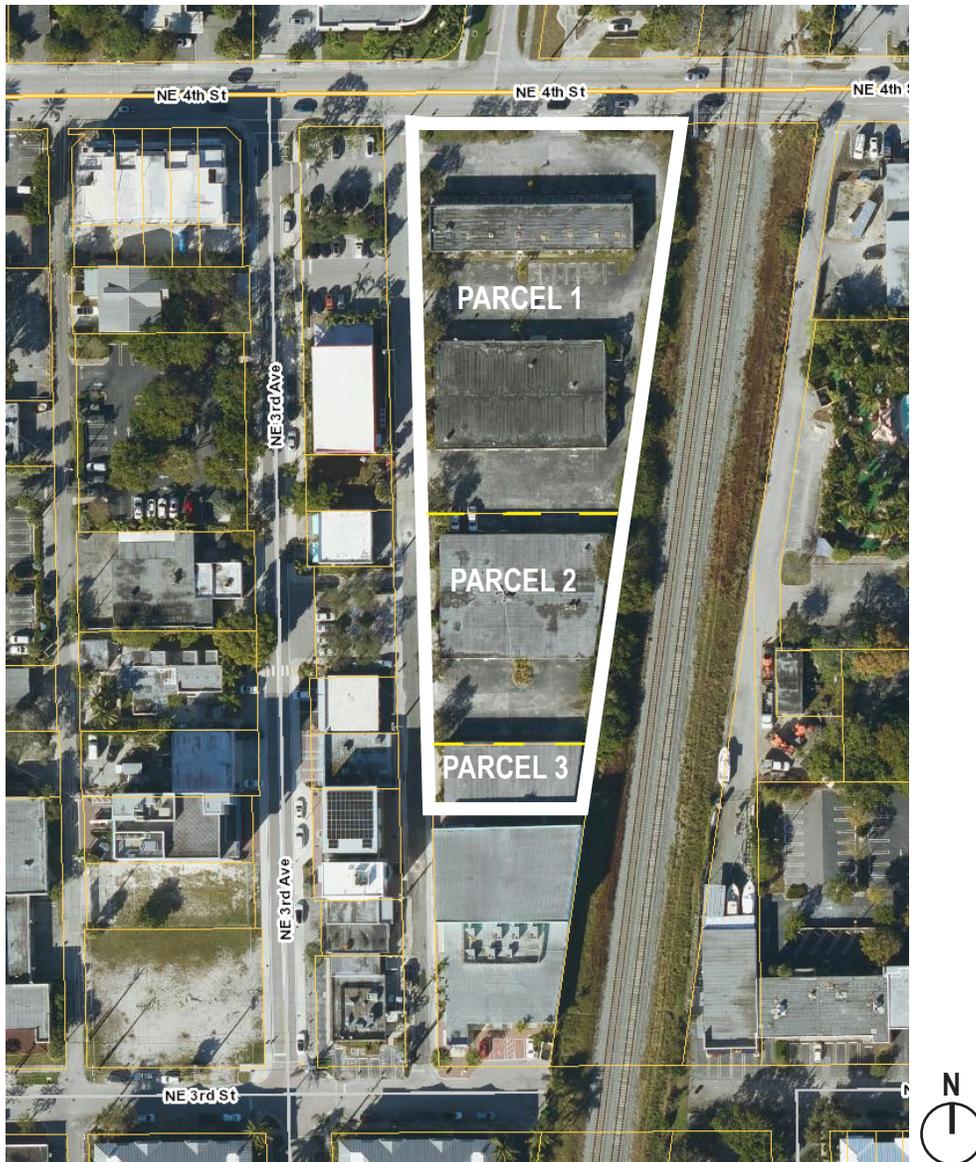
West

2.3 Parcel Size & Configuration

Table 2.3 Parcel Summary (Public Records):

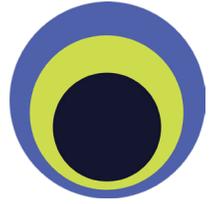
Item	Information
Parcel Count	3 (contiguous)
Parcel Numbers	12-43-46-16-01-089-0180 / 12-43-46-16-01-089-0290 / 12-43-46-16-01-089-0360
Approx. Combined Area	83,199.6SF (1.91 ac)
Frontage	NE 4th Street
Data Source	Palm Beach County Property Appraiser

Parcel configuration and area are based on publicly available records and have not been verified by a certified survey.



3

ZONING & LAND USE REVIEW



3.0 Existing Zoning Designation 3.0 Zoning & Land Use Review

This section summarizes the existing zoning and land use framework applicable to the subject parcels and evaluates residential and mixed-use permissibility at a due diligence level. The review focuses on zoning designation, future land use, permitted uses, and governing form-based standards that influence redevelopment feasibility.

3.1 Existing Zoning Designation

The subject parcels are zoned Central Business District (CBD) within the City of Delray Beach Land Development Regulations and are located within the Railroad Corridor Sub-District. The CBD zoning framework is intended to support urban infill redevelopment, including residential, commercial, civic, and mixed-use uses, subject to applicable form-based standards and regulating plan requirements. No overlay districts have been identified that would restrict redevelopment beyond the base CBD standards.

The parcels are also located within the Pineapple Grove Neighborhood Plan area, which provides policy guidance emphasizing compatible infill, neighborhood-sensitive design, and redevelopment that transitions appropriately between the downtown core and surrounding residential areas. The Neighborhood Plan does not supersede adopted zoning regulations and does not preclude redevelopment in principle.

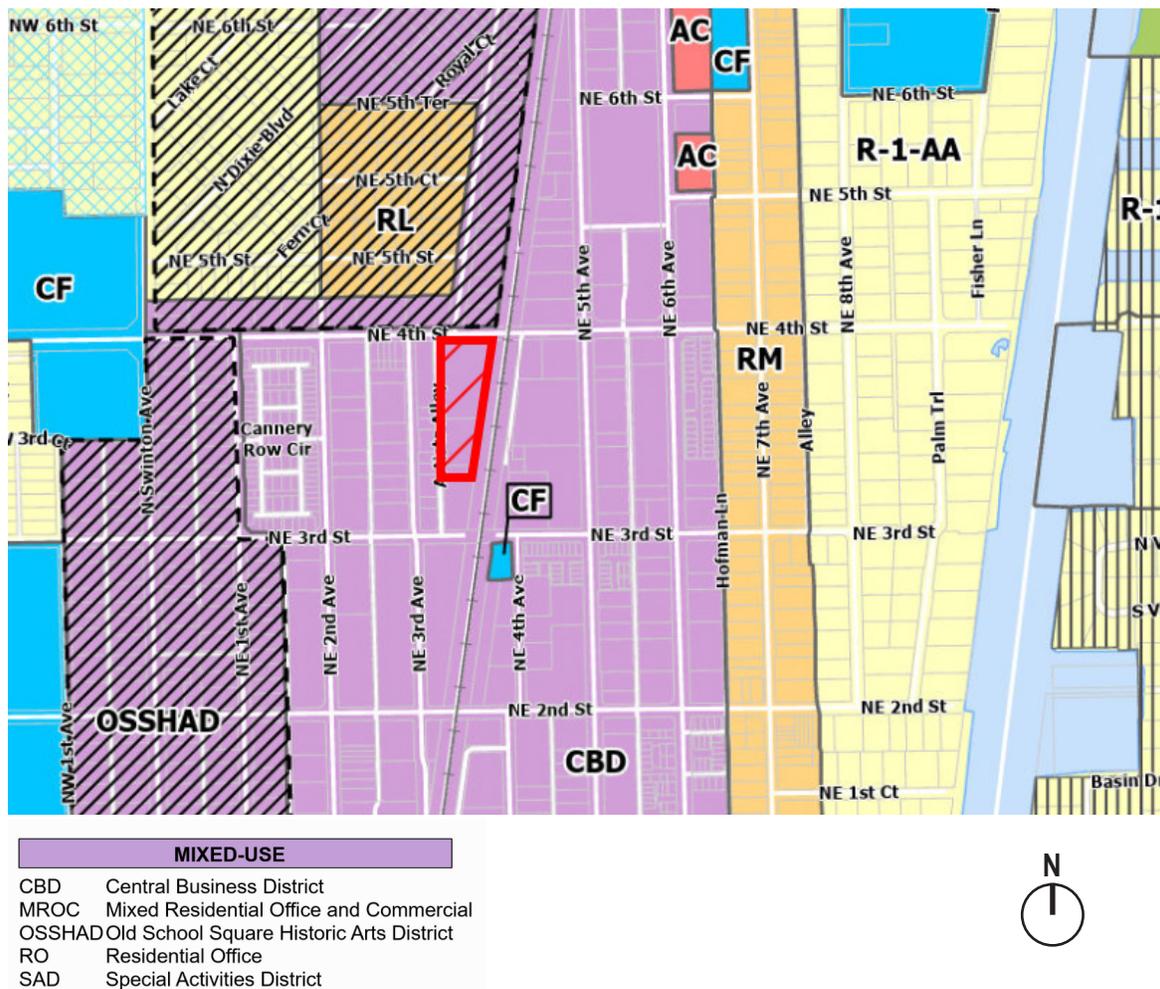
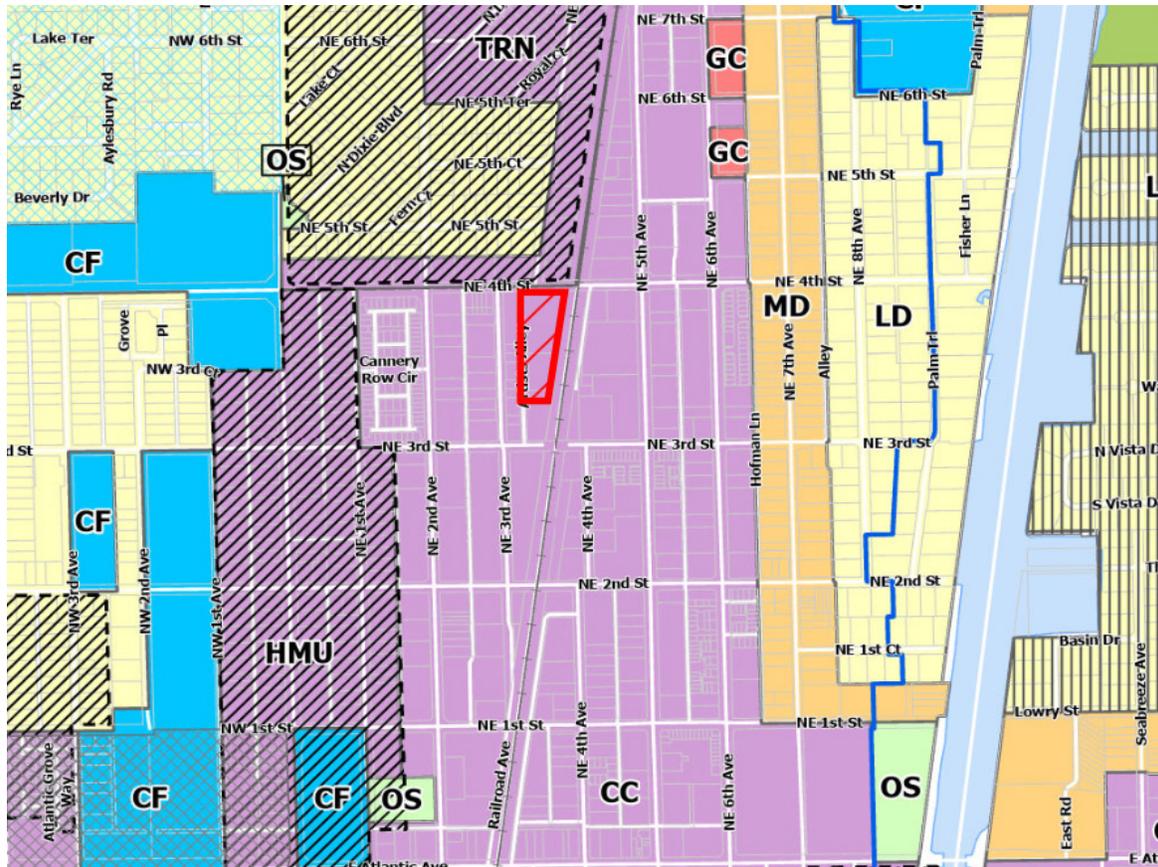


Figure 3.1 – City of Delray Beach Zoning Map
Subject parcels shown within the Central Business District (CBD zoning district).

3.2 Future Land use Designation

The subject parcels are designated Commercial Core Mixed-Use within the City's Future Land Use Map. This designation supports a mix of residential and non-residential uses within a compact, urban context and is implemented through the CBD zoning framework. Development intensity and configuration are governed by form-based standards rather than fixed density or FAR limitations.



MIXED-USE

CC	Commercial Core
CMU	Congress Avenue Mixed Use
GC	General Commercial
HMU	Historic Mixed Use
TRN	Transitional



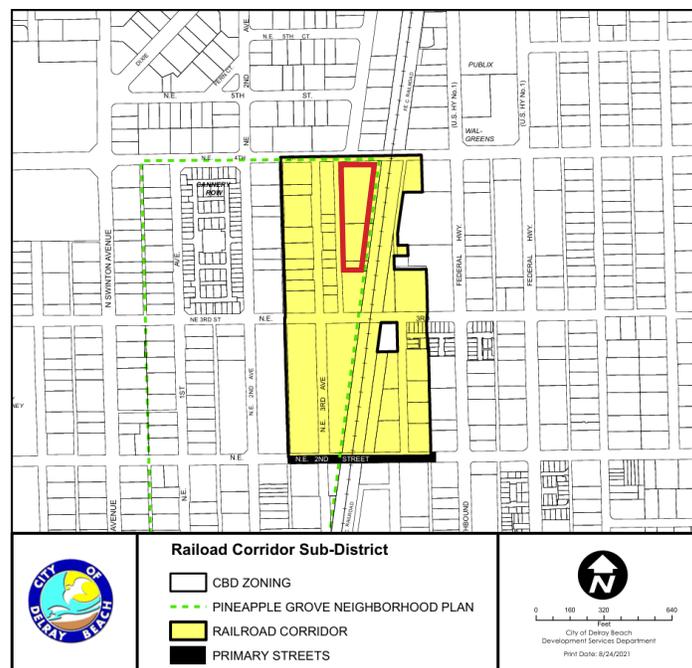
Figure 3.2 – City of Delray Beach Future Land Use Map
 Subject parcels shown within the Mixed Use – Commercial Core designation.

3.3 Permitted Uses

Within the CBD Railroad Corridor Sub-District, multi-family residential development is permitted in principle, either as part of a mixed-use building or in configurations consistent with the regulating plan and frontage standards. The subject parcels front NE 4th Street, which is designated as a Secondary Street. Along Secondary Streets, ground-floor commercial uses are permitted; however, ground-floor retail is not universally required and is subject to the applicable frontage designation and City interpretation.

Final determination of permitted uses, ground-floor requirements, and building configuration will require confirmation through detailed review of the regulating plan and coordination with City staff.

Figure 3.3 CBD Regulating Plan & Pineapple Grove Neighborhood Plan Context



This map illustrates the subject parcels within the Central Business District Railroad Corridor Sub-District and the Pineapple Grove Neighborhood Plan area. The map is provided for reference purposes only. Final development standards, frontage requirements, and permitted uses are subject to confirmation through detailed review of the applicable regulating plan and City interpretation.

3.4 Development Standards Overview

Development of the subject parcels is governed by the CBD form-based framework, including standards related to building placement, frontage, height, massing, setbacks, and contextual adjacency. These standards influence site organization and development envelope but do not impose fixed density or FAR caps.

Proximity to the railroad corridor and adjacency to civic uses to the rear of the site may introduce design and buffering considerations, which will be addressed during subsequent phases of planning and design. At a due diligence level, these conditions are considered manageable and typical of urban infill redevelopment.

Table 3.4 Key Development Standards (Preliminary)

Development Standard	CBD Railroad Corridor Req.	Notes
Zoning District	Central Business District (CBD) – Railroad Corridor Sub-District	No overlay districts identified
Street Classification	Secondary Street (NE 4th Street)	Influences frontage and ground-floor use requirements
Permitted Uses	Commercial, residential, civic, and mixed-use	Subject to regulating plan and frontage standards
Ground-Floor use	Permitted; retail not universally required	Ground-floor requirements subject to frontage designation and City interpretation
Building Height	Regulated by CBD standards and regulating plan	To be confirmed based on sub-district and frontage
Residential Density	Regulated by CBD framework	Conceptual capacity evaluated separately
Building Placement/Set-backs	Regulated by regulating plan and frontage type	To be verified with survey and detailed code review
Lot Coverage	Regulated by CBD standards	Conceptual capacity evaluated separately
Parking	Per CBD parking standards (Article 4.6)	Shared and alternative parking strategies may apply
Railroad Adjacency	Subject to applicable buffering or design considerations	Requirements to be confirmed through detailed review

Development standards summarized above are based on a preliminary review of the City of Delray Beach Land Development Regulations and are provided for due diligence purposes only. Final development parameters will require confirmation through detailed code analysis, survey, and coordination with City staff.

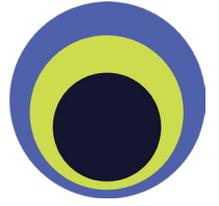
Figure 3.4.1 Maximum Build-Out Envelope (Diagrammatic)



Maximum build-out envelope shown diagrammatically based on preliminary review of applicable setbacks requirements. Final buildable area subject to survey verification and City interpretation.

4

ZONING ADEQUACY ASSESSMENT



4.0 Zoning Adequacy Assessment

This section evaluates whether the existing zoning and policy framework are adequate to support redevelopment of the subject parcels without the need for rezoning. The assessment considers the CBD zoning designation, Railroad Corridor Sub-District standards, street classification, and applicable policy guidance.

4.1 Consistency with Zoning and Policy Framework

Based on this due diligence review, the existing CBD zoning and Railroad Corridor Sub-District designation appear adequate to support residential and mixed-use redevelopment in principle. The form-based nature of the CBD framework emphasizes building form, frontage, and contextual compatibility rather than use alone, allowing flexibility in program configuration subject to compliance with regulating plan standards.

The designation of NE 4th Street as a Secondary Street provides additional flexibility in ground-floor programming, supporting residential uses above grade and, where permitted by frontage standards and City interpretation, residential uses at grade.

4.2 Governing Zoning Considerations

While rezoning is not anticipated to be required, overall feasibility will be influenced by several governing considerations, including:

- Application of the CBD regulating plan and frontage standards
- Building form, height, and massing controls under the CBD framework
- Contextual adjacency conditions, including proximity to the railroad corridor and civic uses
- Site access and circulation organization

These considerations will shape final building configuration and site layout but do not preclude redevelopment in principle.

4.3 Live Local Act Considerations

The Live Local Act may be applied to the subject parcels as part of a redevelopment strategy incorporating workforce or affordable housing. When applicable, Live Local may provide additional regulatory flexibility related to residential density and development standards beyond those typically permitted under base CBD zoning. At a due diligence level, Live Local is viewed as an incentive framework rather than a guaranteed entitlement.

Final applicability and scope of Live Local incentives will depend on confirmation of workforce housing participation, program composition, and City interpretation.

4.4 Zoning Adequacy Conclusion

Based on this assessment, the existing zoning framework is considered adequate to support redevelopment of the subject parcels without rezoning. Advancement beyond due diligence will require confirmation of regulating plan standards, frontage designations, and detailed coordination with City staff; however, no zoning-related fatal flaws have been identified at this stage.



5

SITE CAPACITY & CIRCULATION ASSESSMENT

5.1 Purpose of Analysis

This section evaluates the conceptual site capacity and circulation framework for the subject parcels at a due diligence level. The analysis is intended to illustrate how development may be organized on the site in response to parcel configuration, street frontage, and applicable form-based standards. The analysis is diagrammatic only and does not represent a site plan, building design, or final development layout.

5.2 Parcel Configuration & Buildable Area

The subject parcels consist of three adjacent lots with shared frontage along NE 4th Street and a public alley along the western edge. The eastern edge of the site is defined by the railroad corridor, which introduces a distinct contextual boundary condition. Parcel configuration and adjacency conditions influence the organization of potential building placement, circulation, and buffering.

At a conceptual level, the buildable area of the site is governed by:

- CBD regulating plan standards
- Secondary Street frontage requirements
- Frontage and building placement controls
- Adjacency to the railroad corridor
- Existing alley access

These factors collectively define a conceptual development envelope rather than a fixed dimensional build-out.

5.3 Diagrammatic Maximum Build-Out Envelope

A diagrammatic maximum build-out envelope has been prepared to illustrate a conservative planning-level development zone within the subject parcels. The envelope reflects the general relationship between the site, street frontage, alley access, and railroad adjacency, without applying specific setbacks, dimensions, or building articulation.

The diagram is intended to:

- Illustrate relative building placement within the parcels
- Demonstrate potential continuity along the NE 4th Street frontage
- Acknowledge buffering and transition considerations adjacent to the railroad corridor
- Support high-level feasibility and yield analysis

The envelope is illustrative only and subject to refinement through detailed review of frontage standards, regulating plan requirements, and City interpretation. The envelope does not reflect maximum allowable height or story count.

Table 5.1 Setbacks (Preliminary)

Setback Type	Preliminary Req. (Per LDR)	Notes
Front (NE 4th St)	Approx. 10 - 15 ft	Typical build-to / setback range for Secondary Streets; subject to frontage designation
Side (Railroad - East)	Approx. 0-5 ft ¹	Form-based side condition; railroad adjacency may introduce buffering or design considerations
Rear (Civic/Institutional Use)	Approx. 10 ft	Rear setback influenced by adjacent mixed-use development; to be confirmed
Upper-Story Front Step Back	20 ft above second story	Applies to portions of the building at the 3rd story and above; influences massing
Transition/Buffering	As Required	Context-driven; railroad adjacency evaluated separately from rear setback

¹Side setbacks along alleys are regulated by rear setbacks

Setback and building placement standards summarized above are preliminary and based on a high-level review of applicable CBD form-based regulations. Ranges are provided for due diligence purposes only. Subject to regulating plan and City confirmation

Figure 5.2 Conceptual Site Capacity Diagram



5.5 Vehicular Circulation & Access

Primary vehicular access to the site is anticipated from NE 4th Street, consistent with its designation as a Secondary Street within the CBD. A public alley along the western edge of the parcels may provide opportunities for secondary access, service circulation, or utility coordination, subject to further verification.

Internal circulation concepts prioritize:

- Clear separation of resident, visitor, and service movements where feasible
- Minimization of conflicts with adjacent residential uses
- Flexibility to respond to final parking and loading strategies

Final access configuration will require confirmation through survey and coordination with the City.

5.6 Pedestrian & Contextual Relationships

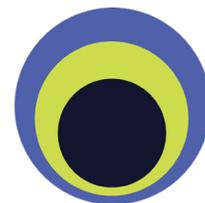
The site's location within the Pineapple Grove Neighborhood Plan area and proximity to surrounding residential uses emphasize the importance of pedestrian connectivity and neighborhood compatibility. Conceptual site organization anticipates pedestrian engagement along NE 4th Street, with building placement and frontage responding to the local street context.

Adjacency to the railroad corridor may introduce considerations related to buffering, orientation, and operational impacts, which will be addressed in subsequent phases of analysis.

The eastern edge of the site is defined by the railroad corridor, while the rear of the parcels abuts a civic / institutional arts facility, creating differing contextual conditions along the site edges.

5.7 Preliminary Observations

Based on this conceptual review, the subject parcels are capable of accommodating redevelopment within a form-based framework responsive to street frontage, alley access, and contextual adjacency. Site capacity is governed by building placement and form rather than fixed dimensional limits, and no site capacity-related fatal flaws have been identified at a due diligence level.



6

TRAFFIC, ACCESS & FRICTION POINT ANALYSIS

6.1 Purpose of Analysis

This section provides a high-level review of traffic, access, and circulation considerations for the subject parcels at a due diligence level. The analysis focuses on access opportunities, potential friction points, and contextual constraints that may influence site planning and feasibility. This review is qualitative in nature and does not include traffic counts or operational analysis.

6.2 Street Network Context

The subject parcels front NE 4th Street, which functions as a Secondary Street within the Central Business District and Pineapple Grove Neighborhood Plan area. NE 4th Street is characterized by lower traffic speeds and volumes relative to arterial corridors and serves a mix of residential, civic, and neighborhood-serving uses.

The site is also bordered by a public alley along the western edge, which provides additional connectivity within the local street network and may support service access or secondary circulation opportunities.

6.3 Vehicular Access

Primary vehicular access to the site is anticipated from NE 4th Street, consistent with its role as a Secondary Street. The presence of a public alley along the west side of the parcels may provide opportunities for secondary access, service access, or loading, subject to verification and City approval.

The public alley along the western edge of the site is actively used during daytime hours for service and circulation associated with surrounding properties. While the alley may provide opportunities for secondary access, the introduction of additional residential units may increase vehicular activity within this corridor. Operational capacity and circulation impacts related to potential alley use should be evaluated during subsequent phases in coordination with a traffic engineer.

Access design will need to balance:

- Efficient site ingress and egress
- Compatibility with adjacent residential uses
- Minimization of conflicts between resident, visitor, and service movements

Final access locations and configurations will require confirmation through survey and coordination with the City of Delray Beach.

6.4 Railroad Corridor Considerations

The eastern edge of the site is defined by an active railroad corridor, which introduces a distinct contextual condition. While the railroad does not provide vehicular access, its presence may influence site planning considerations related to buffering, orientation, and operational coordination. These factors are not anticipated to preclude redevelopment but will require consideration in subsequent phases.

6.5 Identified Friction Points

Based on this due diligence review, potential friction points include:

- Interaction between site access and local residential traffic along NE 4th Street.
- Coordination of service and loading functions to minimize impacts on adjacent uses
- Contextual interface with the railroad corridor along the eastern edge of the site
- Balancing pedestrian activity with vehicular access within a neighborhood-oriented street environment

These considerations are typical of urban infill redevelopment and are considered manageable through appropriate site planning.

6.6 Preliminary Observations

At a due diligence level, access and circulation conditions do not appear to preclude redevelopment of the subject parcels. The local street network, Secondary Street frontage, and presence of an alley provide flexibility in access planning. While contextual conditions such as railroad adjacency and neighborhood interface will influence detailed design, no access- or traffic-related fatal flaws have been identified.



7

WORKFORCE /AFFORDABLE HOUSING STRATEGY

7.0 Workforce / Housing Strategy

This section evaluates the potential for residential and workforce housing on the subject parcels at a due diligence level. The analysis focuses on regulatory permissibility, policy alignment, and planning-level residential yield under multiple regulatory frameworks. This section is intended to test order-of-magnitude feasibility and yield sensitivity based on program assumptions rather than establish a preferred development program, final unit count, or financial feasibility.

7.1 Policy Context

The subject parcels are located within the Central Business District (CBD), the Railroad Corridor Sub-District, and the Pineapple Grove Neighborhood Plan area, all of which support residential and mixed-use infill development. City policy documents emphasize compatible redevelopment, increased residential presence, and neighborhood-sensitive density within and adjacent to the downtown core.

These policy objectives provide a supportive framework for considering residential and workforce housing as part of future redevelopment of the site, subject to compliance with applicable zoning and form-based standards.

7.2 Site Context & Civic Compatibility

The site is situated within an established urban context that includes residential, civic, and cultural uses. Notably, the rear of the site is adjacent to a government / civic arts warehouse, which functions as a cultural and institutional use rather than a commercial mixed-use condition.

Within this context:

- Residential and workforce housing represent a compatible transitional use
- Housing provides buffering between civic activity and adjacent residential neighborhoods
- Residential presence supports passive surveillance and after-hours activity
- Workforce housing aligns with arts, service, and civic employment bases
- Infill housing supports CRA reinvestment and long-term district stability

Accordingly, residential and workforce housing are considered contextually appropriate and supportive of surrounding civic and neighborhood uses.

7.3 Residential Use Feasibility

Based on the zoning and regulating plan review, multi-family residential development is permitted in principle within the CBD Railroad Corridor Sub-District, either as part of a mixed-use building or in configurations consistent with frontage and street standards. The designation of NE 4th Street as a Secondary Street provides flexibility in ground-floor programming and may allow residential uses at grade where permitted by frontage standards and City interpretation.

Residential feasibility is therefore governed primarily by form-based standards, contextual adjacency, and program assumptions, rather than by fixed density or FAR limits.

7.4 CRA Policy Alignment & Public Benefit

Workforce and affordable housing are consistent with CRA objectives related to downtown revitalization, housing stability, and support of local employment bases. Incorporation of workforce housing within the subject site may:

- Support employees within the downtown, arts, service, and civic sectors
- Reinforce long-term neighborhood stability and reduce displacement pressure

- Advance public benefit objectives through policy-driven infill rather than speculative density

While affordability requirements may influence unit size and overall yield, these tradeoffs are aligned with CRA policy goals and broader housing objectives.

Table 7.0 Development Feasibility: Base Zoning vs. Live Local (Conceptual)

	Base CBD Framework	CBD + Live Local Scenario
Regulatory Framework	Central Business District (CBD) – Railroad Corridor Sub-District	CBD zoning with Live Local Act provisions applied
Residential Permissibility	Residential and mixed-use permitted under CBD form-based standards	Residential prioritized through incentive framework. Workforce / affordable housing required
Development Controls	Governed by form-based standards (frontage, height, massing, setbacks)	Density and development flexibility may increase subject to Live Local compliance
Development Intensity	Limited by form-based envelope and contextual constraints	Potential relief from base intensity constraints, subject to City interpretation
Workforce Housing Role	Optional under base CBD zoning	Required (percentage and income targets TBD)
Parking Considerations	Parking requirements per CBD standards	Potential for reduced or flexible parking assumptions, if applicable
Overall Feasibility	Feasible in principle under existing zoning	Enhanced feasibility with incentive-based flexibility
Key Dependencies	Regulating plan, frontage designation, and context	Workforce housing commitment and City interpretation

Comparison provided for due diligence purposes only and reflects a high-level evaluation of regulatory frameworks. Final feasibility is subject to confirmation through detailed program, financial, and regulatory analysis.

7.5 Live Local Act – High-Level Applicability

The Live Local Act may be applied to the subject parcels as part of a workforce or affordable housing strategy. When applicable, Live Local may provide additional regulatory flexibility related to residential density and development standards beyond those typically permitted under base CBD zoning, subject to compliance with statutory requirements and City interpretation.

At a due diligence level, Live Local is considered an incentive framework rather than a guaranteed entitlement. Final applicability will depend on confirmation of workforce housing participation, affordability thresholds, unit mix, and program composition. While Live Local may provide regulatory flexibility, affordability requirements and associated unit size considerations may result in a lower overall unit count when compared to base zoning scenarios.

7.6 Preliminary Residential Yield Analysis (Assumption-Based)

To evaluate planning-level residential capacity and sensitivity to affordability participation, three preliminary yield scenarios were tested. These scenarios are intended to illustrate how unit yield varies based on regulatory framework and program assumptions, rather than identify a preferred outcome.

The analysis assumes a consistent gross floor area and building efficiency across scenarios and does not reflect a site plan or architectural design. Parking reductions, shared parking strategies, and other potential efficiencies are noted qualitatively only.

Table 7.1 Preliminary Residential Yield Scenarios

Scenario	Regulatory Basis	Key Assumptions	Approx. Residential Units*
Scenario A - Base CBD (100% Workforce)	CBD - Railroad Corridor Sub-District	<ul style="list-style-type: none"> • 100% workforce housing (no non-residential uses) • 4 stories max (planning assumption) • Conceptual floorplate initial yield testing: 64,662 SF per floor • 4 stories max (planning assumption) • Approx. 258,648 SF total GFA (planning-level estimate) • Net efficiency: 75–80% • Balanced unit mix: 25% studios / 50% 1BR / 25% 2BR (planning avg sizes) • Parking ratios assumed: 1.25 spaces (studio/1BR) and 1.75 spaces (2BR) • Parking accommodated within one level of under-building parking • Practical residential yield influenced by available parking supply • Workforce units distributed proportionally across 80/100/120/140% AMI 	116 - 146 units
Scenario B - Base CBD (Mixed Workforce + Market)	CBD - Railroad Corridor Sub-District	<ul style="list-style-type: none"> • Same building + efficiency assumptions as Scenario A • Mixed workforce/market program tested at: 50% workforce and 70% workforce • Parking ratios assumed consistent with Scenario A • Under-building parking assumed • No non-residential uses • Workforce AMI distribution proportional across 80/100/120/140% AMI 	116 - 146 units (program mix varies)
Scenario C - Live Local (40%+ Affordable @ ≤120% AMI)	CBD + Live Local Act	<ul style="list-style-type: none"> • Live Local scenario assumes 40% minimum affordable @ ≤120% AMI for 30 years • Same parking ratios applied (1.25 studio/1BR; 1.75 2BR) • Potential parking reductions under Live Local noted qualitatively • No non-residential uses (≥65% residential floor area requirement satisfied) • Same GFA + efficiency as Scenario A • Larger average unit size assumed (reduced studio share / larger 1–2BR mix) to reflect ≤120% AMI program impacts 	105-130 units (may vary depending on final unit mix)

Unit counts are preliminary planning-level estimates based on due diligence assumptions and do not represent a site plan or architectural design. Final yields are subject to confirmation through detailed feasibility analysis and City interpretation.

Table 7.1A Residential Yield Comparison Summary (Planning-Level)

Metric / Assumption	Scenario A – Base CBD (100% Workforce)	Scenario B – Base CBD (Mixed Program)	Scenario C – Live Local (≥40% @ ≤120% AMI)
Typical Floor Plate (Footprint)	64,662 SF	64,662 SF	64,662 SF
Stories Counted in GFA (planning)	4	4	4
Total GFA	258,648 SF	258,648 SF	258,648 SF
Net Efficiency	75–80%	75–80%	75–80%
Net Residential Area	193,986–206,918 SF	193,986–206,918 SF	193,986–206,918 SF
Workforce Requirement	100% workforce	50%–70% workforce (tested)	Minimum 40% workforce @ ≤120% AMI
Unit Mix Assumption	Balanced mix (25% S / 50% 1BR / 25% 2BR)	Same as Scenario A	Reduced studios; larger 1–2BR mix
Avg Net Unit Size	~712.5 SF	~712.5 SF	~800–810 SF
Resulting Unit Yield (GFA Based)	272-290 units	272-290 units (program split varies)	239-259 units
Parking Ratios Assumed	1.25 (Studio/1BR); 1.75 (2BR)	Same	Same (Final Mix May Vary)
Weighted Avg Parking Ratio	1.38 spaces/unit	1.38 spaces/unit	1.38 spaces/unit
Estimated Parking Demand (for GFA-based yield)	~374–399 spaces	~374–399 spaces	~329–357 spaces
Under-Building Parking Supply (1 level, planning range)	~160–192 spaces*	~160–192 spaces*	~160–192 spaces*
Practical Yield Indicated by Parking Supply	~116–146 units**	~116–146 units**	~105–130 units (unit mix may increase ratio)

*If a Fire Lane is required, an estimated 20 spaces will be lost. Estimated parking will be approx.174 spaces.

** If a Fire Lane is required, the unit yield will reduce to 127-132 units.

Based on the assumed building footprint of approximately 64,662 SF and the applicable residential parking ratios (1.25 spaces for studio and one-bedroom units and 1.75 spaces for two-bedroom units), parking supply becomes a primary factor influencing achievable residential yield. Using a planning-level parking efficiency, a single level of under-building parking is estimated to accommodate approximately 160 to 192 spaces within the building footprint. Applying the assumed unit mix and parking ratios, this parking supply corresponds to a practical residential yield in the range of approximately 116 to 146 units. While the building envelope and gross floor area could theoretically support a higher number of units, development beyond this range would likely require additional structured parking levels or confirmation of parking reductions through coordination with the City of Delray Beach or applicable incentive programs.

7.6 Preliminary Observations

Based on this due diligence review, the subject parcels appear capable of supporting residential and workforce housing development in principle under both base CBD zoning and the Live Local incentive framework. Planning-level yield ranges vary depending on regulatory path and affordability participation, with higher theoretical unit yields achievable under base zoning scenarios and lower—but policy-aligned—yields under Live Local participation.

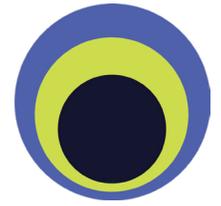
When parking requirements are applied to the tested scenarios, parking supply becomes a governing factor influencing achievable residential yield. Based on the assumed building footprint and applicable parking ratios, a single level of under-building parking is estimated to support a practical residential yield in the range of approximately 116 to 146 units, subject to final unit mix, parking layout efficiency, and potential parking reductions available under City regulations or applicable incentive programs.

No workforce housing–related fatal flaws have been identified at this stage. Final outcomes will depend on CRA policy direction, confirmation of affordability targets, parking strategy, and detailed regulatory coordination with the City of Delray Beach.

Table 7.2 Preliminary Program Feasibility Summary

Topic	Preliminary Finding	Notes / Considerations
Zoning & Land Use	Existing CBD zoning with Railroad Corridor Sub-District	CBD zoning supports residential and mixed-use development in principle under form-based standards
Need for Rezoning	Rezoning not anticipated	Development feasible under existing zoning framework, subject to regulating plan and frontage standards
Residential Feasibility	Residential development feasible in principle	Building form, frontage requirements, and contextual adjacencies will influence configuration
Workforce Housing	Workforce housing is a viable program component	Final participation level subject to CRA direction and program assumptions
Live Local Act	Live Local may enhance development feasibility	Applicability dependent on workforce housing commitment and City interpretation
Site Capacity	Site capable of accommodating development	Capacity governed by form-based envelope, stepbacks, and contextual edges
Access & Circulation	Primary and secondary access available	Primary access from NE 4th Street; alley may support service or secondary access
Traffic Considerations	Local street network supports redevelopment	Detailed traffic analysis may be required at later phases
Contextual Constraints	Railroad adjacency is a defining condition	May influence buffering, orientation, and design responses
Overall Feasibility	Development feasible with identified considerations	Feasibility improves with incentive-based strategies and coordinated planning

Summary reflects a due diligence–level assessment. Findings are preliminary and subject to further technical, financial, and regulatory analysis..



8

UTILITIES & INFRASTRUCTURE (Preliminary)

8.0 Utilities & Infrastructure (Preliminary)

8.1 Purpose of Review

This section provides a preliminary review of utilities and infrastructure conditions serving the subject parcels. The assessment is conducted at a due diligence level and is intended to identify any apparent infrastructure constraints that may affect redevelopment feasibility. Detailed engineering analysis is beyond the scope of this review.

8.2 Water & Wastewater Service

The subject parcels are located within the City of Delray Beach service area and are anticipated to have access to municipal water and sanitary sewer infrastructure.

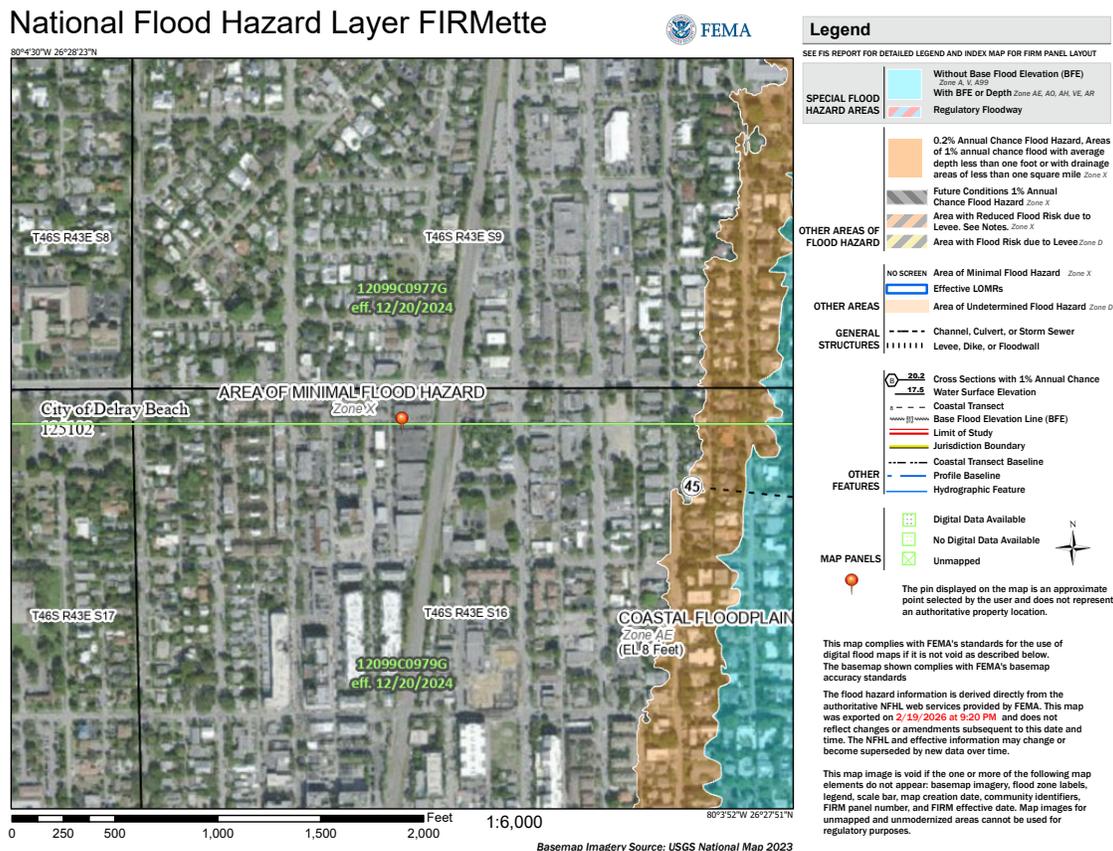
Redevelopment of the site with a mixed-use or residential program may require:

- Verification of available service capacity
- Confirmation of connection locations
- Evaluation of pipe sizing relative to proposed intensity

Depending on final development scale and unit count, utility upgrades or pipe upsizing may be required, subject to detailed engineering analysis and coordination with the City.

At a due diligence level, water and wastewater availability are not anticipated to preclude redevelopment.

Figure 8.0 Floodplain & FEMA Mapping (Preliminary)



Floodplain information is based on FEMA Flood Insurance Rate Maps and is provided for preliminary planning purposes only. Final flood zone determinations are subject to survey verification and regulatory review.

FEMA Flood Insurance Rate Maps indicate that the subject parcels are located within Flood Zone X. At a due diligence level, no floodplain-related constraints have been identified that would preclude redevelopment; however, final flood zone determinations remain subject to survey verification and regulatory review.

8.3 Stormwater Management

Future redevelopment will be required to comply with applicable stormwater management standards. Urban infill conditions within the CBD may necessitate creative stormwater strategies, potentially including on-site retention, underground systems, or coordination with municipal infrastructure.

Stormwater design requirements will be evaluated during subsequent phases of site planning and engineering.

8.4 Electrical & Communications Infrastructure

Electrical and communications infrastructure appear to be available within the surrounding urban network. Coordination with applicable providers will be required to confirm service capacity and identify any necessary upgrades, relocation, or undergrounding requirements.

8.5 Railroad Coordination Considerations

Given the site's adjacency to the railroad corridor, coordination with the applicable rail authority may be required for any improvements occurring near the corridor boundary. While no immediate infrastructure conflicts have been identified, design-phase coordination may address fencing, safety considerations, or utility alignments along this edge.

8.6 Utility Capacity & Pipe Sizing Considerations

While utilities are anticipated to be available in the vicinity of the site, redevelopment with a mixed-use program that includes multifamily residential and commercial uses may require upsizing of existing utility infrastructure, including water and sanitary sewer lines, to meet projected demand. Utility pipe sizing, capacity, and connection requirements have not been evaluated at this stage and will require confirmation through detailed engineering analysis and coordination with the City and applicable utility providers. Any required utility upgrades may influence project cost and phasing and should be evaluated as part of subsequent feasibility and design efforts.

8.7 Preliminary Observations

At a due diligence level, utilities and infrastructure are not anticipated to preclude redevelopment of the subject parcels. Confirmation of service capacity and potential upgrades will be required during subsequent phases and may influence project cost and phasing.

No infrastructure-related fatal flaws have been identified at this stage.

9

RISK SUMMARY



9.0 Risk Summary

9.1 Purpose of Summary

This section summarizes key risks and considerations identified through the due diligence review. The intent is to highlight factors that may influence redevelopment feasibility, project timing, cost, or design approach, without precluding development in principle.

9.2 Identified Risks & Considerations

Regulatory & Policy Considerations

- Development is governed by CBD form-based standards, which rely on frontage designation, building form, and contextual compatibility rather than fixed dimensional limits. Interpretation of these standards may influence final building configuration.
- Application of the Live Local Act may enhance feasibility but is contingent upon workforce housing participation and City interpretation.
- The parcels are located within the Pineapple Grove Neighborhood Plan area, which introduces policy guidance related to neighborhood character and design compatibility, particularly during later design phases.

Risk Level: Moderate

(Manageable through early coordination with City staff.)

Platting / Parcel Configuration

- Development of the subject parcels as a unified project may require replatting or lot consolidation to accommodate access, circulation, and utility coordination.
- Replatting would require review and approval by the City and may affect project schedule and sequencing.

Risk Level: Low to Moderate

(Process-related; not anticipated to preclude development.)

Site & Contextual Considerations

- Railroad adjacency along the eastern edge of the site may influence buffering, orientation, and coordination requirements during design and permitting.
- Adjacency to a civic / arts facility at the rear of the site introduces sensitivity related to operational compatibility and site interface.
- Urban infill conditions may limit flexibility in circulation, loading, and service placement.

Risk Level: Moderate

(Typical of urban infill sites.)

Access, Circulation & Traffic Considerations

- Primary access is anticipated from NE 4th Street, with potential secondary or service access from the adjacent alley.
- Final access configuration may be influenced by City access management requirements and site-specific conditions.
- Detailed traffic analysis may be required in subsequent phases depending on development intensity.

Risk Level: Low to Moderate

Infrastructure & Utilities Considerations

- While municipal utilities are anticipated to be available, confirmation of service capacity will be required.
- Redevelopment intensity may necessitate utility upgrades or pipe upsizing, which could affect project cost and phasing.
- Coordination with utility providers and the City will be required during engineering phases.

Risk Level: Low to Moderate

Floodplain & Environmental Considerations

- FEMA Flood Insurance Rate Maps indicate the site is located within Flood Zone X, outside of mapped special flood hazard areas.
- No floodplain-related constraints have been identified at a due diligence level.

Risk Level: Low

(Not anticipated to affect feasibility.)

Market & Programmatic Considerations

- Final residential yield and feasibility are dependent on confirmation of workforce housing assumptions, unit mix, and parking strategy.
- Market conditions and funding availability may influence the viability of specific housing program configurations.

Risk Level: Variable (program-dependent)

Survey and Easement Verification

A current boundary and topographic survey was not available for review as part of this due diligence analysis. As a result, the presence or location of any recorded easements affecting the parcels could not be independently confirmed. While existing building improvements do not suggest apparent easement conflicts, confirmation of easements and property boundaries should be completed through preparation of a certified survey and title review prior to advancing site design.

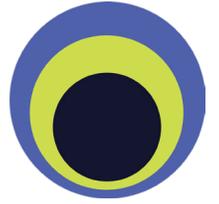
Risk Level: Low

9.3 Overall Risk Assessment

Based on this due diligence review, the identified risks are typical of urban infill redevelopment and are not considered fatal to development feasibility. With appropriate coordination, assumption confirmation, and phased planning, these risks are considered manageable within the context of the existing zoning and policy framework. Among the risks identified, regulatory interpretation and programmatic direction represent the most consequential variables influencing redevelopment feasibility.

10

CONCLUSIONS & RECOMMENDATIONS



10.1 Conclusions

Based on this due diligence review, the subject parcels are capable of supporting residential and workforce housing development in principle. When residential parking requirements are applied using the assumed unit mix and applicable parking ratios, parking supply becomes a key factor influencing achievable development yield. Based on the assumed building footprint and a planning-level parking layout within the building footprint, a single level of under-building parking is estimated to support approximately 116 to 146 residential units. Development beyond this range may require additional structured parking levels or confirmation of parking reductions through coordination with the City of Delray Beach.

The parcels' location within the Central Business District (CBD) Railroad Corridor Sub-District, along a designated Secondary Street, and within the Pineapple Grove Neighborhood Plan area supports residential and mixed-use infill redevelopment consistent with adopted City policy objectives. Development feasibility is governed primarily by form-based standards, contextual adjacency conditions, and program assumptions rather than by fixed density or FAR limits.

No zoning, access, infrastructure, or contextual conditions were identified at a due diligence level that would preclude redevelopment of the subject parcels. Existing CBD zoning is considered adequate to support residential and mixed-use development in principle without the need for rezoning, subject to compliance with applicable regulating plan standards and City interpretation.

Zoning & Regulatory Findings

- Existing CBD zoning and the Railroad Corridor Sub-District framework are adequate to support redevelopment in principle.
- Development is governed by form-based standards, including frontage requirements, building placement, massing, and upper-story setbacks.
- Incentive-based strategies, including the Live Local Act, may enhance feasibility by providing additional regulatory flexibility, subject to workforce housing participation and City interpretation.

Site Capacity & Access Findings

- The site is capable of accommodating development within a diagrammatic build-out envelope responsive to street frontage, alley access, and railroad adjacency.
- Primary access from NE 4th Street and potential secondary/service access from the adjacent alley provide flexibility for circulation and servicing.
- Adjacency to the railroad corridor and civic uses to the rear of the site represent manageable urban infill conditions.

Infrastructure Findings

- Municipal water, wastewater, stormwater, and utility services are anticipated to be available to serve redevelopment of the site.
- Redevelopment intensity may require confirmation of service capacity and potential utility upgrades, which should be evaluated during subsequent engineering phases.
- No infrastructure-related fatal flaws were identified at this stage.

Residential & Workforce Housing Considerations

- Residential and workforce housing are viable program components in principle under the existing zoning framework.
- Planning-level yield varies based on regulatory path, with higher unit counts achievable under base CBD scenarios and lower—but policy-aligned—unit counts under Live Local participation.
- Final residential yield and program configuration are dependent on confirmation of workforce housing participation levels, unit mix, and parking strategy

Regulatory Path Implications

Selection of a regulatory path has direct implications for achievable unit yield, unit size, and program composition. Base CBD scenarios prioritize unit yield efficiency, while Live Local scenarios prioritize long-term affordability, regulatory flexibility, and alignment with State and CRA housing objectives, with corresponding impacts on unit count.

10.2 Recommendations

Advancement beyond due diligence will require CRA direction regarding the preferred housing strategy and regulatory path. Based on the findings of this review, the following next steps are recommended:

- Confirm the desired level of workforce or affordable housing participation and target AMI ranges.
- Confirm preference for implementation under base CBD zoning versus the Live Local Act incentive framework.
- Refine a single preferred development scenario through schematic massing, unit mix, and a diagrammatic parking layout to confirm parking capacity within the proposed building footprint..
- Initiate preparation of a certified boundary and topographic survey to verify parcel boundaries, access locations, and alley conditions.
- Evaluate the need for replatting or lot consolidation if the parcels are pursued as a unified development.
- Conduct preliminary utility capacity and infrastructure assessments, including confirmation of service availability and potential upgrade requirements.
- Initiate early coordination with the City of Delray Beach to confirm regulating plan interpretation, frontage standards, and Live Local applicability.

At a due diligence level, the subject parcels present a viable opportunity for residential and workforce housing redevelopment supported by existing zoning, policy guidance, and site conditions. The primary remaining variable affecting feasibility is policy direction rather than site capacity. With confirmation of program assumptions and continued coordination with the City and CRA, the project may advance to subsequent feasibility and concept planning phases.

10.3 ANALYSIS SNAPSHOT

Conclusion – Workforce Housing Capacity Assessment Artist Alley – Development Capacity Summary

This development scenario for the Artist Alley site is based on a maximum theoretical yield. The scenario was refined to evaluate 100% workforce housing under the Live Local Act, without retail or mixed-use components. This scenario allows the project to take advantage of Live Local incentives, including increased residential density and potential parking reductions.

However, at a high-level planning review, several site and development constraints suggest that achieving this yield may be challenging and could affect the overall feasibility of the project.

While zoning and Live Local provisions may theoretically support a higher residential density, the practical development capacity is governed primarily by parking yield and the physical space required to accommodate building systems and operational support areas within a multifamily building.

These required elements include:

- Vehicular parking and circulation
- Required ADA parking and loading areas
- Solid waste and recycling facilities
- Utility infrastructure and transformer locations
- Fire pump, mechanical, and electrical rooms
- Elevator cores and stairwells
- Mail and package rooms
- Bicycle parking
- Amenity and resident support spaces
- Required setbacks and site access points

Collectively, these systems consume a significant portion of the developable site area, reducing the footprint available for residential units.

Based on preliminary planning analysis and conceptual layout testing, the site may accommodate approximately 192 parking spaces under a maximum layout scenario. When applying the assumed residential unit mix and parking ratios, this parking supply could theoretically support approximately 140–146 residential units.

However, it is important to note that this yield represents a maximum planning-level scenario. Several key factors that have not yet been evaluated could further reduce the achievable development capacity, including:

- Absence of a certified boundary and topographic survey to confirm buildable area and easements
- Potential requirements associated with adjacency to the FEC Railway corridor:
 - o Setbacks or safety buffers
 - o Coordination with the railroad for site design and access
 - o Potential limitations on building placement or circulation
- Possible fire lane and emergency access requirements that could reduce parking supply
- The structural column layout required for the building may also reduce parking efficiency beneath the building

10.3 ANALYSIS SNAPSHOT

- Traffic and access conditions
 - o Additional residential units would increase traffic volumes and turning movements in the area.
 - o Vehicle queuing at the site entrance may require additional circulation space within the site.
 - o Access from Artist Alley may limit ingress/egress efficiency.
 - o A traffic study would be required to evaluate access operations, queuing, and intersection impacts.
- Lack of financial feasibility analysis to confirm economic viability of the development scenario

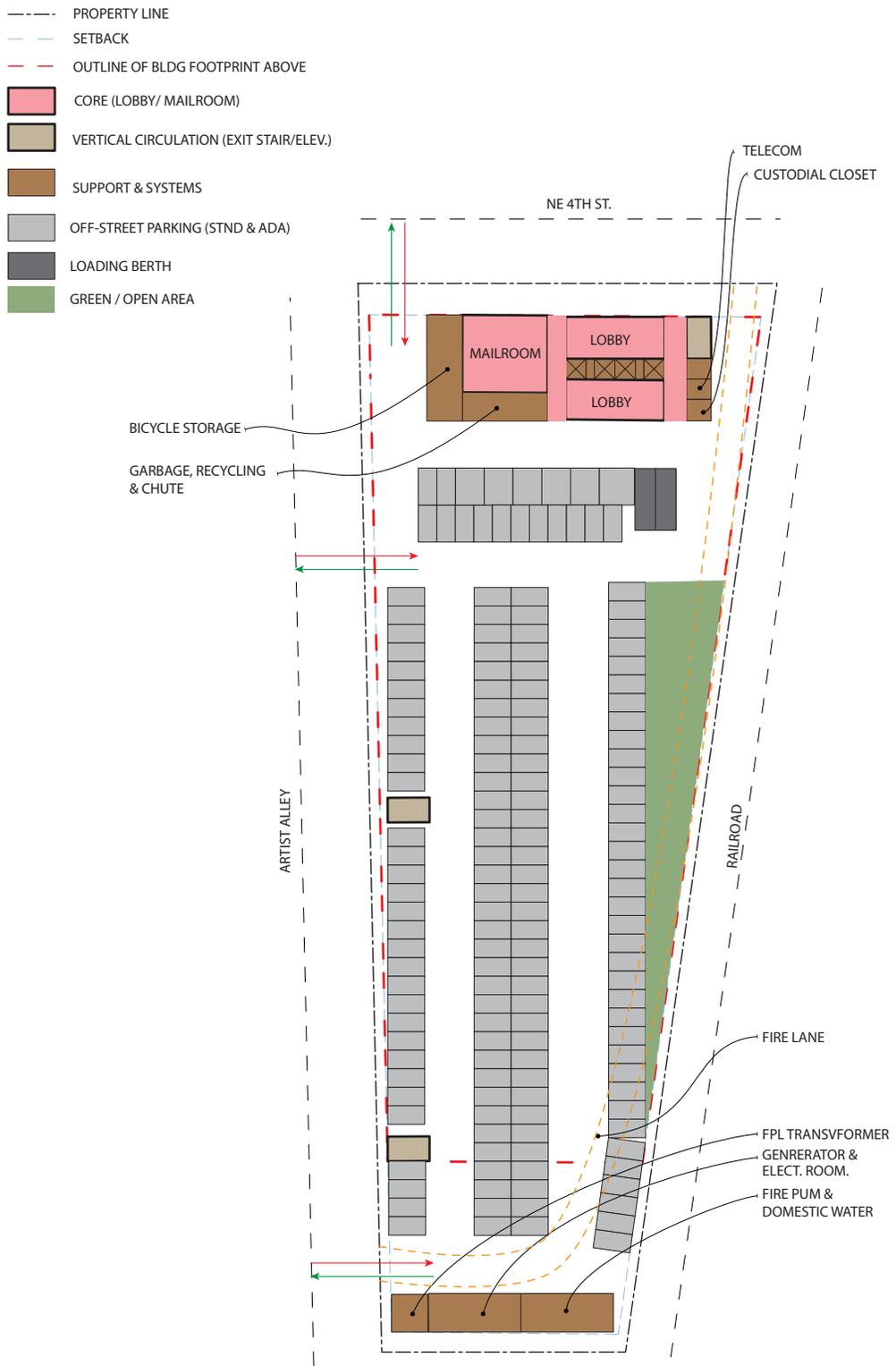
Because these factors have not yet been fully evaluated, the current analysis should be viewed as a high-level capacity test rather than a confirmed development program.

While the site may theoretically support approximately 140–146 workforce housing units based on parking capacity, the combination of site constraints, operational requirements, and outstanding technical analyses may ultimately reduce the achievable unit count and could affect the feasibility of redevelopment.

Further detailed analysis—including survey verification, traffic evaluation, structural planning, and financial feasibility assessment—would be required before confirming the viability of redevelopment on the Artist Alley site.

A conceptual site layout has been prepared to illustrate how the building footprint, parking configuration, and required building systems would reasonably fit within the site constraints

10.3 ANALYSIS SNAPSHOT



ARTIST ALLEY SITE PLAN DIAGRAM

N.T.S.

