



## Cover Memorandum/Staff Report

File #: 26-0708

Agenda Date: 6/2/2026

Item #: 7.A.

**TO:** Mayor and Commissioners  
**FROM:** Anthea Gianniotis, Development Services Director  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** June 2, 2026

RESOLUTION NO. 81-26: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO ACCEPT A ONE-TIME PAYMENT OF \$320,000 IN LIEU OF PROVIDING TWO ON-SITE WORKFORCE HOUSING UNITS FOR THE PROJECT FORMALLY KNOWN AS BLISS ON 4TH, AS MORE PARTICULARLY DESCRIBED HEREIN; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

### **Recommended Action:**

Review and consider Resolution No. 81-26 authorizing the City Manager to accept a one-time payment of \$320,000 in lieu of providing two onsite workforce housing unit for the project formally known as Bliss on 4th located at 10 SW 4th Avenue.

### **Background:**

The subject property is zoned Central Business (CBD) District and is located within the West Atlantic Neighborhood Sub-district. Section 4.4.13(H) "Incentive Program" of the City of Delray Beach Land Development Regulations ("LDR") provides opportunities to increase density to encourage a variety of unit types and income ranges within the downtown area in certain CBD Sub-districts. Under this program, in the West Atlantic Neighborhood, the maximum base density of 12 du/ac may be increased up to 30 du/ac, subject to the Performance Standards in LDR Section 4.4.13(H)(2) below.

### **LDR Section 4.4.13(H)(2) Performance standards for density increases.**

*Projects proposing to increase density from the base amount allowed in the West Atlantic Neighborhood Sub-district, the Railroad Corridor Sub-district, or the South Pairs Neighborhood Sub-district between SE 5<sup>th</sup> Avenue and SE 6<sup>th</sup> Avenue, shall provide workforce housing units as follows:*

*(a) Workforce housing units, equal to at least 20 percent of the total density shall be provided within the development onsite, offsite, or through monetary contributions as referenced in Article 4.7 (fractions shall be rounded up).*

*(b) The workforce housing units shall be equally distributed between the low and moderate-income levels and shall comply with other applicable provisions of Article 4.7.*

The approval of the increased density requires City Commission action, and is set forth in LDR Section 4.4.13(H)(3) below.

### **(3) Approval process for incentives.**

*(a) Applications to utilize the Incentive Program will be reviewed as part of a site plan for compliance*

*with the regulations in this code that direct building configuration, uses, open space, streetscape design, parking location and quantity, and the performance standards in Chapter 3 and Section 4.4.13(H)(2). The board reviewing the site plan will make a recommendation to the City Commission on the entire site plan application before the City Commission takes final action to approve or deny the site plan and the increased density.*

*(b) Applications must include, in addition to the standard application items, a site and development plan (including landscaping, elevations, and floor plans) of sufficient detail to determine that the applicable development and all performance standards are being met.*

On June 13, 2023, the City Commission approved Resolution No. 110-23, approving a Class V Site Plan, Landscape Plan, and Architectural Elevations (2022-223-SPF-SPR-CLV) for the construction of a four-story, mixed-use building on the Property, containing a retail bay and 9 residential units, utilizing the Incentive Program found in Section 4.4.13(H) in exchange for providing one workforce housing unit for the low income level and one workforce housing unit for the moderate income level.

One of the Chapter 3 findings the development was determined to meet at the time of site plan approval included **LDR Section 3.2.3(G) Standards for site plan and/or subdivision plan actions:** *Development shall provide a variety of housing types that accommodates the City's growing and socio-economically diverse population to meet the Goals, Objectives, and Policies the Housing Element.*

**It is important to note, under the Incentive Program, the number of units allowed in the project increased from 3 market rate units (12 du/ac) to 9 units (30 du/ac), with 7 market rate units, 1 low-income unit, and 1 moderate-income level unit.**

The restrictive covenant required for the two on-site workforce housing units is due at the time of building permit. On March 24, 2026, the new Owner, Prime on 4th, requested to change the provision of the workforce housing units from two on-site units to a one-time in-lieu payment to the City.

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, however, the current fee schedule does not distinguish between a low and a moderate-level workforce housing unit, though they would be offered at different rent/sale prices.

If this change is approved, all units would be sold as market rate, and the fees submitted would be utilized to provide access to housing for qualifying families through programs like down payment assistance.

If this change is not approved, the owner must:

1. Record the restrictive covenant and offer the two units as workforce housing; or
2. Process a site plan modification to reduce the number of units in the project to 3, as allowed by the base density of 12 du/ac.

**City Attorney Review:**

Resolution No. 81-26 was approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

N/A

**Timing of Request:**

The workforce housing agreement and fee payment is required prior to the issuance of building permits.