



## Cover Memorandum/Staff Report

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**File #:** 26-0749

**Agenda Date:** 7/14/2026

**Item #:** 7.C.

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**TO:** Mayor and Commissioners  
**FROM:** Anthea Gianniotis, Development Services Director  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** July 14, 2026

RESOLUTION NO. 109-26: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, RECOGNIZING THAT THE CITY OF DELRAY BEACH IS CONSIDERING AMENDMENTS TO ITS LAND DEVELOPMENT REGULATIONS (LDR) WITH RESPECT TO PAYMENTS TO THE CITY OF DELRAY BEACH HOUSING TRUST FUND IN LIEU OF PROVIDING ONSITE OR OFFSITE WORKFORCE HOUSING; PROVIDING THAT DURING THE PENDENCY OF THE CITY'S CONSIDERATION OF THE NEW LDR AMENDMENTS, THE CITY WILL DEFER THE PROCESSING AND APPROVAL OF ALL APPLICATIONS FOR IN WORKFORCE HOUSING LIEU OF REQUESTS; AND PROVIDING AN EFFECTIVE DATE.

**Recommended Action:**

Motion to approve Resolution No. 109-26, to enact a Zoning in Progress regarding the provision of workforce housing through an in-lieu payment.

**Background:**

Development projects that utilize certain revitalization incentives are required to provide workforce housing units. In some areas, the provision of workforce units can be provided on-site, off-site, or via an in-lieu payment, or a combination of the three options. The developer's proposal to satisfy the workforce housing requirement is reviewed as part of the overall site plan, with the City Commission ultimately having the final decision. Pursuant to LDR Section 4.7.3, "*the City Commission may, in its sole and absolute discretion, accept the developer's plan for workforce housing, reject the developer's plan for workforce housing, or direct the developer to modify and re-submit a workforce housing proposal.*" Following a site plan approval, a developer may request a modification to the approved method of providing the workforce housing units; however, the City Commission must approve the change.

In-lieu payments are deposited into the City's Housing Trust Fund. The Housing Trust Fund ("Trust") is comprised of the City's State Housing Initiatives Partnership (SHIP) allocation and is administered by the City of Delray Beach Neighborhood and Community Services Department. The City uses the funds in the Trust exclusively for the purpose of implementing programs described in the City's Local Housing Assistance Plan. For example, down payment assistance provides access to market rate housing for income qualifying families.

The Workforce Housing Program was initially established on December 6, 2004, via Ordinance No. 66-04, and allowed workforce housing to be provided through the following options:

- Bonus market rate units in exchange for constructing housing for very low, low, or moderate income families in designated overlay districts;

- Bonus units by paying \$60,000 to the Family / Workforce Housing Trust; or
- Donating buildable lots to be used for workforce housing.

The program was amended on March 20, 2007, via Ordinance No. 11-07, to increase the in-lieu payment amount from \$60,000 to \$160,000. At that time, staff advised that this amount was necessary to cover the average cost of a lot (\$85,000) in the southwest neighborhood and the maximum SHIP program subsidy of \$75,000. Staff also indicated in the Findings that, *“as participation in the Workforce Housing Program continues, it will be necessary to modify the regulations from time to time to increase efficiency and to ensure that the intended results are achieved”*.

19 years later, the in lieu payment amount is still \$160,000. As construction costs and land values have increased, the cost of the in lieu payment is drastically lower than building physical units, either onsite or offsite. For example, a recently constructed three-bedroom, two-bathroom, 1,857 SF single family home located on NW 9<sup>th</sup> Avenue is currently listed at \$875,000. Based on current building valuation data, the cost to build the house is at least \$361,502.

The zoning in progress allows staff to further analyze costs and provide information regarding the use of the Trust funds to the City Commission for direction.

**City Attorney Review:**

Approved as to form and sufficiency.

**Funding Source/Financial Impact:**

Not applicable.

**Timing of Request:**

The ZIP will be in effect for 180 days.