



Cover Memorandum/Staff Report

File #: 26-0603

Agenda Date: 5/19/2026

Item #: 6.E.

TO: Mayor and Commissioners
FROM: Anthea Gianniotis, Development Services Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: May 19, 2026

RESOLUTION 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 on-site workforce housing unit for the project formally known as Bliss on 4th located at 10 SW 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.*

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) of the City of Delray Beach Land Development Regulations (LDR) in exchange for providing two workforce housing units. The original expiration of the project was June 13, 2025; however, the application submitted an extension request on February 17, 2025 utilizing the Development Order Time Extension due to the State of Emergency declarations associated with Hurricane Ian and Milton. The new expiration for the Site Plan is June 13, 2029.

The restricted covenant is due at the time of building permit. On March 24, 2026, the new Owner, Prime on 4th, requested to utilize the option of making a one-time in-lieu payment to the City instead of providing the workforce housing units on-site

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 units would be sold as market rate units, and the City uses the money collected to achieve workforce housing through programs like down payment assistance.

At City Commission direction, Staff is drafting an amendment to the LDR to change the work force

housing buy-out fee to utilize the cost of construction based upon building permit data. For example, the current cost per square foot a single family unit is \$200 per square foot. The average workforce house is 1,500 sq. ft.; therefore, the buyout would be \$300,000 per unit, almost double the current fee. However, this methodology does not include the cost of land to realize actual units outside of other tools like down payment assistance. The City Commission could decide to only offer density increases for workforce housing units constructed, either on or off site by the developer.

For this item, the applicant travels under the current regulations, which allow for on-site construction, off-site construction, or payment in lieu of constructing the unit.

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.