



## Cover Memorandum/Staff Report

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**File #:** 24-942

**Agenda Date:** 5/6/2025

**Item #:** 6.C.

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**TO:** Mayor and Commissioners  
**FROM:** Anthea Gianniotas, Development Services Director  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** March 11, 2025

APPROVAL OF WORKFORCE HOUSING COVENANT AMENDMENT BETWEEN THE CITY OF DELRAY BEACH AND EDWARDS ATLANTIC AVENUE, LLC AND EDWARDS INTRACOASTAL, LLC ASSOCIATED WITH ATLANTIC CROSSING TO DECREASE THE TOTAL NUMBER OF WORKFORCE HOUSING UNITS.

**Recommended Action:**

Review and consider an amendment to the recorded Workforce Housing Covenant between the City of Delray Beach and Edwards Atlantic Avenue, LLC and Edwards Intracoastal, LLC associated with Atlantic Crossing, located between East Atlantic Avenue to the south, NE 6th Avenue to the west, NE 1st Street to the north, and Veteran's Park to the east.

**Background:**

On December 4, 2012, the City Commission approved a Conditional Use request to allow an increase in building height to a maximum of 60 feet for Buildings III and VI-S and to allow an increase in the overall density of the project to 40 dwelling units per acre. The result of the Conditional Use approvals was the provision of workforce housing units. At the time of approval, the Land Development Regulations (LDR) allowed an increase in height up to 60 feet as an incentive when 20 percent of the total number of units within the additional height above 48 feet is provided for workforce housing. The LDR also previously allowed additional density as a Conditional Use (now called a Residential Incentive) when 20 percent of the units (exclusive of those in the additional height) over the maximum base density of 30 du/ac are provided for workforce housing. The implementing Site Plan associated with the Conditional Use approval was approved on January 21, 2014 by the City Commission on an appeal of the approvals granted by the Site Plan Review and Appearance Board (SPRAB) on November 20, 2013 (Class V Site Plan) and December 18, 2013 (special actions associated with building elevations and building setbacks). The approved site plan consists of a mixed-use project that contains a total of 37,642 square feet of retail floor area, 39,434 square feet of restaurant floor area (including 1,443 square feet of outdoor dining area), 83,462 square feet of office floor area and 343 dwelling units (39.9 du/ac).

On May 22, 2015, the Workforce Housing Covenant was executed by the City Commission. The recorded Covenant specifies how the 25 workforce housing units will be distributed. The 19 units located on-site are required to be "divided between Low Income Households and Moderate Income Households." The remaining six units will be provided via an in-lieu payment of \$960,000 (\$160,000/unit) to the Delray Beach Housing Trust Fund per LDR Section 4.7.2, Family/Workforce Housing: Applicability. The Covenant requires that the in-lieu payment shall be made simultaneous or prior to the issuance of the first vertical building permit of any "For Sale" Unit.

On June 20, 2023, a Class I Site Plan Modification was administratively approved to redistribute the dwelling units throughout the three buildings in Phase I, which resulted in an increase in the amount of dwelling units on the fifth floor. The modification does not affect the approved total amount of dwelling units (343) throughout the entire Atlantic Crossing Development. The workforce housing unit amount is calculated with the sum of 20 percent of the units above 30 dwelling units/acre and 20 percent of the units above 48 feet. Therefore, the increase of dwelling units on the fifth floor requires an increase of the workforce housing units from 25 units to 26 units.

On January 2024, the SPRAB approved a Level 3 Site Plan application for modifications to Phase II that included a reduction in the total number of units for the project from 343 to 328. Since the workforce housing requirement is correlated with the overall number of units, **the reduction in the total number of units results in a reduction in the minimum number of Workforce Housing Units required from 26 to 22.** Therefore, an amendment to the Workforce Housing Covenant is required prior to the issuance of the Certificate of Occupancy for Phase II. It is important to note, the provisions required are stipulated by the settlement agreement that references the land development regulations that apply to the project.

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

Not applicable.

**Timing of Request:**

Approval of the amendment will implement the Class I Site Plan modifications associated with Phase I of Atlantic Crossing.