



# DEVELOPMENT SERVICES

BUILDING | HISTORIC PRESERVATION | PLANNING & ZONING

## SITE PLAN REVIEW AND APPEARANCE BOARD STAFF REPORT

### Parks at Delray

Meeting	File No.	Application Type
March 22, 2023	2023-044-SPI-SPR-CL1	Class I Site Plan Modification
Property Owner	Applicant	Agent
Parcel B Congress Delray, LLC; Centerpointe Delray Holdings, LLLP	Parcel B Congress Delray, LLC	Covelli Design Associate, Inc. / Mike Covelli

### Request

Consideration of a Class I Site Plan Modification to reduce the amount of Workforce Housing Units provided within Phase 3 & 4 (Parcel A South and Parcel B) of the Parks at Delray development from 34 to 33.

### General Data

**Location:** Southwest corner of South Congress Avenue and Germantown Road

**Property Size:** 48.79 ac

**Land Use Map Designation:** Congress Avenue Mixed-Use (CMU)

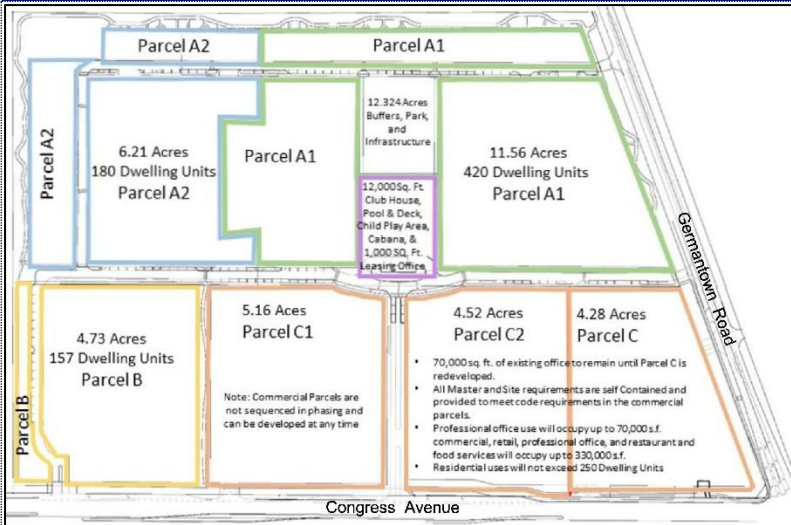
**Zoning:** Special Activities District (SAD) via Ordinance No. 30-18, Parks at Delray SAD; modified by Ordinance No. 61-20.

### Approved SAD Uses (Maximum):

- Residential Units: 1,009
- Office Use: 70,000sf
- Retail Use: 250,000
- Restaurant Use: 80,000sf



## Background



In 2018, the City Commission approved the rezoning of the property from MROC (Mixed Residential, Office, and Commercial) to SAD (Special Activities District) to establish the Parks at Delray SAD. The SAD zoning district is a unique zoning district that is *"to be used for large scale and mixed projects for which conventional zoning is not applicable"* (LDR Section 4.4.32). Each SAD establishes the allowed uses and development standards via ordinance at the time of rezoning. The only development standard specifically set forth in the LDR is a minimum setback of 15 feet established around the perimeter of the property, which is to be landscaped along all front and side street areas.

In 2020, the original SAD ordinance was modified to adjust the timing of required infrastructure

improvements, amend the MDP to adjust a layout configuration, and provide a clarification regarding future modifications and limitations that necessitate the rezoning process as required for SAD designations. The approved Master Development Plan (MDP), required for an SAD (see graphic), identifies the mix of uses with each of the parcels, phases, and commercially designated areas.

In addition to a mix of residential unit types and commercial uses, the Parks at Delray SAD requires that a *minimum of 10% of the total number of dwelling units be provided as moderate-income level Workforce Housing units*. The moderate-income level is defined as *"a household with a gross combined income between 81 and 120 percent of the Palm Beach County Area Median Income..."* The FY022 Area Median Income (AMI) was \$90,300. The moderate-income levels ranging from 80% to 120% were \$51,500 (1-person household at 80%) to \$163,392 (10-person household at 120%).

Since the approval of the Parks at Delray SAD, multiple site plans have been reviewed by the Board:

- October 23, 2019:** Class II site plan modification approval for the perimeter landscape buffer.
- November 18, 2020:** Class V Site Plan approval for the 600 dwelling unit portion located along the western half of the MDP including, 76 townhouses, 524 apartments, recreational facilities including swimming pools, dog parks, playground, and a clubhouse. No townhouses were identified as providing workforce housing; the 60 workforce housing units were limited to the apartment units.
- July 27, 2022:** Class IV Site Plan modification approved, which included an additional phase from what was approved in 2020 and increased the amount of approved dwelling units to 747. The minimum number of workforce housing units to be provided in the approved phases is 75, whereas the site plan indicated that 76 Workforce Housing Units would be provided. As a result, an additional workforce housing unit is anticipated and required within Phase 3 & 4 (Parcel A South and Parcel B).

Phase 2 (Par A north)			Phase 3 & 4 = Par A south & Par B		
Dwelling Unit / Bedrooms	Number of Bedrooms	Total Units	Dwelling Unit / Bedrooms	Number of Bedrooms	Total Units
Townhouse			Townhouse		
3 Bedrooms	38	38	3 Bedrooms	16	16
Total Townhouse Units			Total Townhouse Units		
5 Story Apartments			5 Story Apartments		
Studio	40		Studio	27	
1 Bedroom	92		1 Bedroom	6	
2 Bedroom	144		2 Bedroom	84	
3 Bedroom	40		3 Bedroom	30	
Total 5 Story Units		316	Total 5 Story Units		147
3 Story Apartments			3 Story Apartments		
Studio	0		Studio	0	
1 Bedroom	54		1 Bedroom	92	
2 Bedroom	12		2 Bedroom	36	
3 Bedroom	0		3 Bedroom	36	
Total 3 Story Units		66	Total 3 Story Units		164
Total Units		420	Total Units		327
Workforce Housing Provided			Workforce Housing Provided		
Unit Mix	Total DU	WFH DU	Unit Mix	Total DU	WFH DU
Multifamily			Multifamily		
Studio	40	0	Studio	27	0
1 Bed	146	20	1 Bed	98	13
2 Bed	156	17	2 Bed	120	13
3 Bed	40	5	3 Bed	60	8
Total Multifamily	382	42	Total Multifamily	311	34
Townhouse			Townhouse		
Total Townhouse	38	0	Total Townhouse	16	0
Grand Total	420	42	Grand Total	327	34



- September 2022: The Declaration of Restrictive Covenant was recorded and indicated that 33 rental units would be provided within Parcel B, and no for-sale units would be provided as workforce housing. Declarations of Restrictive Covenants do not require approval of the City Commission.

### Description of Proposal

The subject request is a reduction in the number of Workforce Housing Units from 34 to 33, which is specified on Drawing No. SP-1 of the certified site plan. The requested reduction will result in the provision of 75 workforce housing units, whereas the approved site plan exceeded the minimum requirement by providing 76, one additional workforce housing unit within Phase 3 & 4 (Parcel A South and Parcel B). The proposed reduction eliminates a 2-bedroom apartment unit designated for workforce housing.

The exhibit below, submitted by the applicant, illustrates the modification to the data table of the approved site plan. It is important to note, the reduction in workforce housing units is characterized by the applicant as a correction, as 75 units meets the *minimum* standard; however, the amount of workforce housing units provided *can* exceed the minimum requirement.

Phase 2 (Par A north)			Phase 3 & 4 = Par A south & Par B		
Dwelling Unit / Bedrooms	Number of Bedrooms	Total Units	Dwelling Unit / Bedrooms	Number of Bedrooms	Total Units
Townhouse			Townhouse		
3 Bedrooms	38	38	3 Bedrooms	16	16
<b>Total Townhouse Units</b>		<b>38</b>	<b>Total Townhouse Units</b>		<b>16</b>
5 Story Apartments			5 Story Apartments		
Studio	40		Studio	27	
1 Bedroom	92		1 Bedroom	6	
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<b>Total 5 Story Units</b>		<b>316</b>	<b>Total 5 Story Units</b>		<b>147</b>
3 Story Apartments			3 Story Apartments		
Studio	0		Studio	0	
1 Bedroom	54		1 Bedroom	92	
2 Bedroom	12		2 Bedroom	36	
3 Bedroom	0		3 Bedroom	36	
<b>Total 3 Story Units</b>		<b>66</b>	<b>Total 3 Story Units</b>		<b>164</b>
<b>Total Units</b>		<b>420</b>	<b>Total Units</b>		<b>327</b>
<b>Workforce Housing Provided</b>			<b>Workforce Housing Provided</b>		
Unit Mix	Total DU	WFH DU	Unit Mix	Total DU	WFH DU
Multifamily			Multifamily		
Studio	40	0	Studio	27	0
1 Bed	146	20	1 Bed	98	13
2 Bed	156	17	2 Bed	120	<b>12</b>
3 Bed	40	5	3 Bed	66	8
<b>Total Multifamily</b>	<b>382</b>	<b>42</b>	<b>Total Multifamily</b>	<b>311</b>	<b>33</b>
Townhouse			Townhouse		
<b>Total Townhouse</b>	<b>38</b>	<b>0</b>	<b>Total Townhouse</b>	<b>16</b>	<b>0</b>
<b>Grand Total</b>	<b>420</b>	<b>42</b>	<b>Grand Total</b>	<b>327</b>	<b>33</b>

When designated as a Workforce Housing Unit, the rent for the 2-bedroom apartment unit can range from \$1,656 - \$2,484 per month – based on the 2022 Palm Beach County Median Family Income of \$90,300. The balance of the units, which include both apartments and townhouses, are available at the market rate.

No other changes or modifications are proposed to the approved development at this time. The project proposes to maintain no townhouses will be designated for workforce housing; however, as the project has proceeded, the “townhouse” units were not platted as fee-simple townhomes and have building permits as buildings containing multiple units in an attached, townhouse configuration.

## Review and Analysis

### LDR Section 2.4.5(G)(1)(b), Modifications to Site Plans and Master Development Plans: Class I

*Approval of a modification to a site plan (other than Class I applications) which requires no review of Performance Standards found in Section 3.1.1, but which requires action by a Board.*

While no specific standards are required for a Class I Site Plan Modification, the request is modifying the approved number of workforce housing units being provided within Phase 3 & 4 (Parcel A South and Parcel B) of the development, which is specified on Drawing No. SP-1. The certified site plan anticipates that the applicant is exceeding the minimum requirement by one additional workforce housing unit, providing 10.4% where 10% is required.

Given the SAD zoning and development standards established specific to the Parks of Delray development, the LDR does not provide additional criteria to review that would be applicable to the subject request. The SAD Ordinance purposely states that a minimum percentage of the overall number of units be provided, as opposed to specifying a certain number be provided; this method is consistent with nearly all areas within the city that require workforce housing. The exception is the Aura Delray SAD, which requires 25 percent of the units be provided as *on-site* Workforce Housing; the requirement is not specified as a minimum, although exceeding 25 percent would not be prohibited.

The Housing Element of the adopted Always Delray Comprehensive Plan emphasizes the need for affordable and attainable housing. Goal HOU 6, Affordability, is titled, “Meet the housing needs for household types of all income levels to meet the future population growth to the year 2035.” There are many Objectives and Policies that support this important Goal. A performance measure in determining the success in addressing Objectives and Policies of Goal HOU 6, is the *“increase in the number of housing units that are affordable to the low-, moderate, and high-moderate-income households.”* Note: The reference to high-moderate levels (over 120% AMI) for workforce housing is an error that will require an edit; the City does not accept levels above 120% and the City Commission has directed staff not to raise the current level above 120%.

In addition to the Housing Element, a Policy in both the Neighborhoods, Districts, and Corridors Element and the Economic Prosperity Element states to *“implement the vision in the “Congress Avenue: Delray Beach’s Next Great Street” report by protecting commercial and industrial land uses to maintain and enhance the jobs base; ensuring diverse housing options for varying income levels; attracting higher education institutes; encouraging sustainable redevelopment; and, establishing a balance of uses along the corridor.”*

In consideration of the request, the applicant is seeking to “correct” the data plan and meet the minimum requirement by providing 10% workforce housing units as opposed to providing one additional workforce housing unit. The Board is to consider if the reduction meets the intent of the Comprehensive Plan. Further, the provision of diverse housing types within the Parks at Delray development does not include a townhouse unit available for workforce housing, whereas the diversity should not only be accounted for by the number of bedrooms and size of the units, but in the type, as well. Concerns regarding the true affordability of for sale units in large developments, some with significant HOA fees increases over the years, were considered when the townhomes were excluded from the workforce housing pool. The long-term affordability for the income qualified buyers was a concern staff shared; however, these units are implemented as rental units. If the number of units is to be reconsidered, the board should also weigh whether the proposed mix of workforce units should include a townhome. Given that the designation of the unit types does not change the approved plans, the adjustment to include a townhouse unit as one of the workforce housing units could also be made.

#### Objective HOU 6.1 Accommodation of Income Diversity

Expand and diversify the Delray Beach’s housing stock.

##### Policy HOU 6.1.1

Provide opportunities for income diversity by allowing a mix of housing types and ownership options.

##### Policy HOU 6.1.2

Encourage income diversity by requiring a mix of unit types in new development.

##### Policy HOU 6.1.3

Promote mixed income development in areas with access to amenities including parks, recreational and cultural facilities, transit services, employment centers and healthcare services.

##### Policy HOU 6.1.4

Implement incentives in the Land Development Regulations, such as increases in density, to establish workforce housing units within targeted areas.

### Board Action Options

- A. Move **approval** of the Class I Site Plan Modification (2023-044) for **Parks at Delray**, located at **1690 - 2350 South Congress Avenue**, to reduce the number of workforce housing units provided within Phase 3 & 4 (Parcel A South and Parcel B) from 34 to 33, by finding that the request is consistent with the Land Development Regulations and the Comprehensive Plan.
- B. Move **approval, as amended**, of the Class I Site Plan Modification (2023-044) for **Parks at Delray**, located at **1690 - 2350 South Congress Avenue**, to reduce the number of workforce housing units provided within Phase 3 & 4 (Parcel A South and Parcel B) from 34 to 33, by finding that the request is consistent with the Land Development Regulations and the Comprehensive Plan.
- C. Move **denial** of the Class I Site Plan Modification (2023-044) for **Parks at Delray**, located at **1690 - 2350 South Congress Avenue**, to reduce the number of workforce housing units provided within Phase 3 & 4 (Parcel A South and Parcel B) from 34 to 33, by finding that the request is not consistent with the Land Development Regulations and the Comprehensive Plan.
- D. **Continue with direction.**

### Technical Notes:

1. If the request is not approved, the recorded Workforce Housing Covenant must be modified to reflect the correct number of units from 33 to 34.