

January 15, 2020

Michelle Hoyland
Principal Planner, Historic Preservation City of Delray Beach
Development Services Department
100 NW 1st Ave
Delray Beach, FL 33444
Re: Workforce Housing Plan

Michelle,

Background

After Atlantic Grove was approved in 2002, but while it was being developed and constructed over the next two years, the City of Delray Beach began considering the adoption of workforce housing regulations. The result was the adoption of a new Family/Workforce Housing section of the Zoning Ordinance, Article 4.7, which was adopted in December 2004. After all entitlements and approvals had been obtained and development had begun, the Developer, Atlantic Grove Partners (an LLC owned by New Urban Communities, and two local not-for-profit organizations, the TED Center and the Delray Beach CDC) was asked by the Delray Beach Community Redevelopment Agency to consider setting aside ten units for qualified low to moderate income households. Though at this point of the process, Atlantic Grove Partners was under no obligation to provide any affordable housing units, Atlantic Grove Partners voluntarily agreed to set aside ten such townhome units for low- and moderate-income households. The buyers were vetted and approved by the CRA and the City's Community Improvement Department. The 10 townhome units were provided at an affordable price of \$134,000. The average sales price of the remaining 45 market rate townhome units sold between July 2003 and January 2004 was \$241,881, with prices ranging from a low of \$166,306 to a high of \$299,829. The affordable townhomes are scattered throughout the community and are visually indistinguishable from the market rate homes.

By voluntarily setting aside 10 units to be sold as affordable units, Atlantic Grove Partners willfully forewent approximately \$1.07 million in potential profit (over \$1.5 million in today's dollars) based on the delta between the actual sales price of the ten affordable townhomes (\$134,000 for all ten) and the average sales price of the 45 market rate townhomes in the community.

Table 1: List of Initial Sale Price for 45 Market-Rate Townhomes

Address	Sale Date 1	Sale Price 1	Address	Sale Date 1	Sale Price 1
337 Atlantic Grove Way	Dec 2003	\$299,829	19 NW 4 th Ave	Dec 2003	\$256,036
317 Atlantic Grove Way	Dec 2003	\$296,268	46 NW 3 rd Ave	Oct 2003	\$256,036
11 NW 4 th Ave	Nov 2003	\$287,310	15 NW 4 th Ave	Dec 2003	\$255,197
30 NW 3 rd Ave	Oct 2003	\$287,045	23 NW 4 th Ave	Dec 2003	\$254,990
336 Atlantic Grove Way	Nov 2003	\$285,688	79 Atlantic Grove Way	Aug 2003	\$230,000
316 Atlantic Grove Way	Nov 2003	\$285,188	83 NW 4 th Ave	Jul 2003	\$229,919
332 Atlantic Grove Way	Nov 2003	\$278,614	66 NW 3 rd Ave	Aug 2003	\$214,787
31 NW 4 th Ave	Dec 2003	\$276,688	75 Atlantic Grove Way	Aug 2003	\$211,183
58 NW 3 rd Ave	Oct 2003	\$275,188	87 Atlantic Grove Way	Aug 2003	\$210,439
320 Atlantic Grove Way	Nov 2003	\$272,623	74 NW 3 rd Ave	Aug 2003	\$210,320
34 NW 3 rd Ave	Oct 2003	\$271,264	306 NW 1 st Street	Aug 2003	\$205,334
54 NW 3 rd Ave	Oct 2003	\$270,001	90 NW 3 rd	Aug 2003	\$204,836
71 NW 4 th Ave	Jul 2003	\$269,000	62 NW 3 rd	Sep 2003	\$203,227
27 NW 4 th Ave	Dec 2003	\$266,014	330 NW 1 st Street	Aug 2003	\$200,876
63 Atlantic Grove Way	Aug 2003	\$265,000	302 NW 1 st Street	Aug 2003	\$199,321
71 Atlantic Grove Way	Aug 2003	\$265,000	86 NW 3 rd Avenue	Aug 2003	\$187,864
321 Atlantic Grove Way	Dec 2003	\$264,662	82 NW 3 rd Avenue	Aug 2003	\$186,887
324 Atlantic Grove Way	Nov 2003	\$262,010	91 Atlantic Grove Way	Aug 2003	\$185,990
328 Atlantic Grove Way	Nov 2003	\$261,143	70 NW 3 rd Avenue	Aug 2003	\$184,448
67 Atlantic Grove Way	Aug 2003	\$260,000	334 NW 1 st Street	Aug 2003	\$183,490
42 NW 3 rd Ave	Oct 2003	\$257,852	83 Atlantic Grove Way	Aug 2003	\$176,741
38 NW 3 rd Ave	Oct 2003	\$257,027	78 NW 3 rd Avenue	Aug 2003	\$166,306
50 NW 3 rd Ave	Oct 2003	\$257,010			

It should be noted that six of those ten affordable townhomes are still owned by the initial buyer (See Table 1 below), 17 years later. Of further interest is the four affordable townhomes that have been sold were owned by the original buyers for an extended period of time, first selling 11, 12 and 16 years, respectively, after the original sale dates and allowed those owners to build wealth.

Table 2: List of Sales of the 10 Affordable Townhome Units in Atlantic Grove

Address	Sale Date 1	Sale Price 1	Sale Date 2	Sale Price 2	Sale Date 3	Sale Price 3	Years Affordable
75 NW 4 th Ave	Aug 2003	\$134,000	-	-	-	-	17
79 NW 4 th Ave	Dec 2003	\$134,000	-	-	-	-	17
310 NW 1 st Street	Aug 2003	\$134,000	-	-	-	-	17
333 Atlantic Grove Way	Dec 2003	\$134,000	-	-	-	-	17
322 NW 1 st Street	Oct 2003	\$134,000	-	-	-	-	17
329 Atlantic Grove Way	Jan 2004	\$134,000	-	-	-	-	17
318 NW 1 st Street	Aug 2003	\$134,000	Apr 2014	\$271,500	Jun 2016	\$327,500	11
326 NW 1 st Street	Aug 2003	\$134,000	Feb 2015	\$272,000	Mar 2016	\$381,500	12
325 Atlantic Grove Way	Dec 2003	\$134,000	Feb 2019	\$325,000	-	-	15
314 NW 1 st Street	Aug 2003	\$134,000	Dec 2019	\$385,000	-	-	16
Total Affordable Years							156

Workforce Housing Plan

Staff has determined that the additional proposed 14 townhome units will require the provision of 1 additional workforce housing unit. No credit is being given for the ten workforce housing units previously provided, which have in total to date provided 156 years of affordable housing.

The 1 additional workforce unit will be provided in the 6-unit building fronting NW 4th Avenue and will be priced at the moderate-income level.

Sincerely,



Andrew VanValin

Planning Manager, New Urban Communities