

**RESOLUTION GRANTING SUBSTANTIVE CERTIFICATION NO. 80-99**

WHEREAS, on December 19, 1995, Cape May City, Cape May County, petitioned the Council on Affordable Housing (COAH) for substantive certification of its housing element and fair share plan pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:91-3.1; and

WHEREAS, the city published notice of its petition for substantive certification in The Press, which is a newspaper of county-wide circulation on December 28, 1995 pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:91-3.3; and

WHEREAS, no objections were filed to the city's petition for substantive certification within 45 days of the publication of notice of the city's petition for substantive certification pursuant to N.J.S.A. 52:27D-314 and N.J.A.C. 5:91-4.1; and

WHEREAS, COAH issued a COAH Compliance Report dated June 20, 1997, which is attached hereto as Exhibit A; and

WHEREAS, COAH has determined that the city's second round (1987-1999) precertified need is 91 units; and

WHEREAS, the city received a first round (1987-1993) vacant land adjustment, thereby reducing its realistic development potential (RDP) to zero; and

WHEREAS, the city only needs to address the 33-unit rehabilitation component of its precertified need; and

WHEREAS, the Cape May Housing Authority submitted documentation for the rehabilitation of 84 housing authority rental units pursuant to N.J.A.C. 5:93-3.4 which reduces the city's obligation to zero; and

WHEREAS, the city proposes an ongoing rehabilitation program to address its unmet need; and

WHEREAS, the city has received a Small Cities Grant to rehabilitate an additional 10-12 units in the city; and

WHEREAS, the city is a historic resort community and, as set out in the June 20 COAH Compliance Report, alternative methods for addressing the city's unmet need are not feasible.

NOW THEREFORE BE IT RESOLVED that COAH has reviewed Cape May City's petition for substantive certification of the city's housing element and fair share plan and determines that it is consistent with the rules and criteria adopted by COAH and the achievement of the low and moderate income housing needs of the region; and

BE IT FURTHER RESOLVED that Cape May City's RDP is zero; and

BE IT FURTHER RESOLVED that COAH hereby grants Cape May City credit for its 33-unit of rehabilitation obligation; and

BE IT FURTHER RESOLVED that COAH determines that the fair share obligation of Cape May City is zero; and

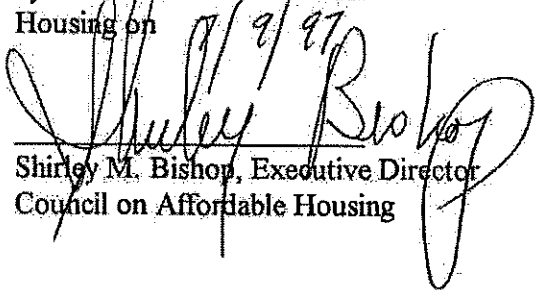
BE IT FURTHER RESOLVED that Cape May City shall address its unmet need through a rehabilitation program; and

BE IT FURTHER RESOLVED that after having reviewed and considered all of the above, COAH hereby grants Cape May City substantive certification of its housing element and fair share plan addressing the city's 1987-1999 cumulative need; and

BE IT FURTHER RESOLVED that this certification shall be for six years from the date of this resolution; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this certification is based or any deviations from the terms and conditions of this certification which affects the ability of Cape May City to provide for the realistic opportunity of its fair share of low and moderate income housing and which the city fails to remedy may render this certification null and void.

I hereby certify that this  
resolution was duly adopted  
by the Council on Affordable  
Housing on 7/9/97

  
Shirley M. Bishop, Executive Director  
Council on Affordable Housing

COAH SUMMARY FACT SHEET - 1987-1999

- |    |               |                      |    |                            |                 |
|----|---------------|----------------------|----|----------------------------|-----------------|
| 1. | Municipality  | <u>Cape May City</u> | 2. | Date of:                   |                 |
|    | County        | <u>Cape May</u>      |    | Petition for Certification | <u>12/19/95</u> |
|    | Region        | <u>6</u>             |    | Final Certification        | <u>7/9/97</u>   |
|    | Planning Area | <u>5</u>             |    |                            |                 |
- 
- |    |                |                                               |
|----|----------------|-----------------------------------------------|
| 3. | Staff Reviewer | <u>James E. Cordingley, Principal Planner</u> |
|----|----------------|-----------------------------------------------|
- 
- |    |                            |             |
|----|----------------------------|-------------|
| 4. | Precredited Need           | <u>91</u>   |
|    | Rehabilitation Component   | <u>33</u>   |
|    | New Construction Component | <u>58 *</u> |
|    | Rehabilitation Credits     | <u>84</u>   |
|    | Fair Share                 | <u>0**</u>  |

Recommendation

## GRANT SUBSTANTIVE CERTIFICATION

- \* Cape May City received a vacant land adjustment with its first round (1987-1993) substantive certification. Therefore, the city's realistic development potential (RDP) is zero.
- \*\* Although the city's obligation is zero, Cape May City will be administering a 10-or12-unit rehabilitation program with a \$200,000 Small Cities Grant from the New Jersey Department of Community Affairs.

**EXECUTIVE SUMMARY  
CAPE MAY CITY / CAPE MAY COUNTY  
REGION #6**

**PREPARED BY: JAMES E. CORDINGLEY, PRINCIPAL PLANNER  
JULY 9, 1997**

**I. BACKGROUND**

Cape May City, Cape May County, petitioned the Council on Affordable Housing (COAH) on December 19, 1995 for second round (1987-1999) substantive certification of its housing element and fair share plan. COAH received no objections.

With its first round (1987-1993) substantive certification, Cape May City received a vacant land adjustment. Therefore, the city's realistic development potential (RDP) is zero pursuant to N.J.A.C. 5:93-4.2(e).

**II. NUMBER, CREDITS AND ADDITIONAL ACTIVITY**

Cape May City's 1987-1999 cumulative precertified need is 91 units. However, with an RDP of zero, the city only needs to address its 33-unit rehabilitation component.

The Cape May Housing Authority provided documentation for the rehabilitation of 84 housing authority rental units. Additionally, Cape May City received a Small Cities Grant to rehabilitate 10-12 units in the city.

**III. UNMET NEED**

Since Cape May City is a fully developed historic resort community, alternative methods for addressing the city's unmet need, such as accessory apartments, infill housing and redevelopment are not feasible. Cape May City proposes an ongoing rehabilitation program.

**IV. RECOMMENDATION**

Since Cape May City has addressed its rehabilitation component with credits and its RDP is zero, staff recommends that COAH grant Cape May City substantive certification.

**COAH REPORT  
CAPE MAY CITY / CAPE MAY COUNTY  
REGION #6  
PREPARED BY: JAMES E. CORDINGLEY, PRINCIPAL PLANNER,  
JUNE 20, 1997**

**I. INTRODUCTION**

Cape May City, Cape May County, petitioned the Council on Affordable Housing (COAH) on December 19, 1995 for second round (1987-1999) substantive certification of its housing element and fair share plan, which was adopted by the planning board on August 2, 1995. Cape May City published notice of petition in The Press on December 28, 1995. COAH received no objections.

**II. BACKGROUND**

Cape May City received its first round (1987-1993) substantive certification from COAH on November 28, 1988. Since COAH determined that there were no buildable vacant sites in the city, Cape May City received a vacant land adjustment.

**III. HOUSING STOCK INVENTORY AND ANALYSIS**

Cape May City's housing stock inventory and analysis contained in its housing element meet the criteria established in the N.J.S.A. 52:27D-310 and N.J.A.C. 5:93-5.1(b) 1-14. According to the 1990 census, there were 4,052 housing units in Cape May City. Of these, 976 were owner occupied and 2,184 units were vacant primarily due to the seasonal nature of the units. The average sale price of a unit was \$156,800, according to the census. The average contract rent was \$429 per month primarily due to the 290 assisted units under the Cape May Housing Authority. Median household income was \$27,560.

**IV. NUMBER**

Cape May City has a 1987-1999 cumulative precredited need of 91 units:

|                            |           |
|----------------------------|-----------|
| Rehabilitation Component   | 33        |
| New Construction Component | <u>58</u> |
| Precredited Need           | 91        |

The city received a vacant land adjustment in the first round and as a result, Cape May City's realistic development potential (RDP) is zero pursuant to N.J.A.C. 5:93-4.2(e). Therefore, the city only needs to address its rehabilitation component of 33 units.

## **V. CREDITS**

On June 10, 1997, the Cape May Housing Authority provided documentation for the rehabilitation of 84 units of rental housing owned and operated by the housing authority in the city. Major systems were addressed and the average cost per unit was \$8,643. All units were raised to municipal and federal code standards. Work was begun in 1994 and completed in May 1997.

These 84 units address Cape May City's 33-unit rehabilitation component. The units are affirmatively marketed throughout the region pursuant to federal requirements and all are affordable to low and moderate income households.

## **VI. UNMET NEED**

Cape May City is located in Planning Area 5 and all development within the city is subject to CAFRA regulations. Cape May City has applied to the Office of State Planning (OSP) for center designation.

Cape May City has an unmet need of 58 units due to its first round vacant land adjustment. The city determined that an accessory apartment program was not feasible. As Cape May City is a resort community, its housing is rented on a seasonal basis and thus accessory apartments with deed restrictions are not marketable. All of the land owned by the city is either unbuildable due to environmental constraints or designated for open space. In addition, a substantial portion of the city is designated as a historic district. There are few infill sites that may be developed so a development fee ordinance would yield minimum if any dollars. Thus, the city is asking COAH to consider its ongoing rehabilitation program as addressing its unmet need.

## **VII. ADDITIONAL ACTIVITY**

TRIAD Associates, consultants for Cape May City, provided documentation on December 6, 1996 that the city was approved for a \$200,000 Small Cities Grant to finance the rehabilitation of 10-12 units. The program will be administered by TRIAD Associates. These units are in excess of the city's 33-unit obligation.

## **VIII. RECOMMENDATION**

Since Cape May City only needs to address its 33-unit rehabilitation component and since the 84 units rehabilitated by the Housing Authority meet COAH's criteria for credit, the city's obligation is zero. Staff recommends that COAH grant Cape May City substantive certification.