# HOUSING ELEMENT AND

# **FAIR SHARE PLAN**

Borough of West Cape May

Cape May County, New Jersey

June 2025

Adopted by West Cape May Planning-Zoning Board on June 17th, 2025

Prepared By:



Heyer, Gruel & Associates Community Planning Consultants 236 Broad Street, Red Bank, NJ 07701 (732) 741-2900

# FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

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# Appendices

- Appendix A: November 17, 2009 Order approving the Borough's initial Round 3 Housing Element and Fair Share Plan with conditions; January 13, 2010 Judgment of Compliance and Repose Order; and April 3, 2012 First Amendment to the Judgment of Compliance and Repose.
- Appendix B: Settlement Agreement between the Borough of West Cape May and Fair Share Housing Center ("FSHC") dated March 28, 2018.
- **Appendix C:** June 15, 2018 Order entered by the Honorable Nelson C. Johnson, J.S.C. approving the FSHC Settlement Agreement.
- **Appendix D:** Conditional Judgement of Compliance and Repose Order entered on August 31, 2018, along with the November 13, 2018 Court Order that finalized the JOR Order.
- Appendix E: August 9, 2023 Resolution authorizing the execution of an affordable housing agreement with Habitat for Humanity; and Municipal Sponsored Affordable Housing Agreement

dated August 9, 2023.

**Appendix F:** First Amendment to the March 28, 2018 Settlement Agreement Between the Borough of West Cape May and Fair Share Housing Center dated August 16, 2023.

- **Appendix G:** Amended Third Round Judgement of Compliance and Response Order dated September 23, 2024
- **Appendix H:** Borough of West Cape May Resolution #48-25, "Committing to Comply with Affordable Housing
  - Obligations for Round 4" Dated January 23, 2025

**Appendix I:** Borough's Fourth Round Declaratory Judgment Complaint, Dated January 24, 2025 **Appendix J:** Order entered by the Court setting the Borough's Fourth Round Obligations, Dated March 27, 2025

- **Appendix K:** An Ordinance Updating Chapter XXVII, Section 37.1 of the Borough's Code to Update the Borough's Accessory Apartment Program, dated October 10, 2018.
- Appendix L: An Ordinance Adding Section 27-37.3 To Chapter XXVII (Zoning) Of the West Cape May Borough Code, Which Will Be Entitled "Affordable Housing Mandatory Set-Aside" Dated October 10th, 2018.

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# EXECUTIVE SUMMARY

The following Fourth Round Housing Element & Fair Share Plan has been prepared for the Borough of West Cape May in the County of Cape May in accordance with the Fair Housing Act as most recently amended (P.L. 2024, c 2).

West Cape May is a 1.2 square mile developed community located in southern New Jersey in the County of Cape May. The Borough is surrounded by Lower Township to the north, west and south, and Cape May City to the east. The Borough has limited access to public sewer and water and is completely within the jurisdiction of Coastal Area Facility Review Act (CAFRA) regulations.

According to the 2023 American Community Survey, West Cape May's population was 934, which represents a decrease of about 9 percent from 2020. The median age in 2020 was 60.1 years, and the average household size increased slightly from the 2010 level of 2.08 persons to 2.10 persons in 2020. The housing stock of the Borough is predominantly single-family detached dwelling units.

According to the guidelines established by COAH, the Borough is located in Housing Region 6, a region that consists of Atlantic, Cape May, Cumberland, and Salem Counties. Based on the 2024 Regional Income Limits, the median income in Region 6 for a four-person household is \$98,360, the moderate-income limit is \$78,688, the low-income limit is \$49,180, and the very-low-income limit is \$29,508.

The FSHC Settlement Agreement and the Third Round Judgement of Compliance and Repose (JOR) assigned a total obligation of 59 units to West Cape May including a Rehabilitation obligation of 2 units, a Prior Round obligation (1987-1999) of 7 units, and a Gap + Third Round Prospective Need obligation (1999-2025) of 50 units. The Borough's Third Round Realistic Development Potential (RDP) for the Gap + Prospective Need (1999-2025) was 10 and its remaining Third Round "unmet need" was 40.

The Borough has a Fourth Round rehabilitation share of 0 units and a Fourth Round Prospective Need of 11 units. This Fourth Round Prospective Need is separated into an RDP of 0 units and an unmet need of 11 units.

The Borough will fully address its Fourth Round obligations through the following mechanisms:

- Existing accessory apartment program.
- Existing inclusionary zoning.
- Existing Borough-wide mandatory set-aside ordinance.

#### INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's most densely populated state, has been recognized for decades. In the case of <u>Southern</u> <u>Burlington County NAACP v. the Township of Mount Laurel</u> 67 N.J. 151 (1975), (commonly known as <u>Mount Laurel I</u>), the New Jersey Supreme Court established the doctrine that developing municipalities have a constitutional obligation to create a realistic opportunity for their fair share of low- and moderate-income housing.

In <u>Southern Burlington County NAACP v. Township of Mount Laurel</u>, 92 N.J. 158, 456 A.2d 390 (1983), decided on January 20, 1983 (commonly known as <u>Mount Laurel II</u>), the Supreme Court responded to the response of municipalities to <u>Mount Laurel II</u>. It sought to make it far easier for developers to secure a builder's remedy. The builder's remedy created an incentive to developers to sue non-compliant municipalities and force them to comply. <u>Mount Laurel II</u> also created the Judgment of Compliance and Repose to incentivize municipalities to comply. A Judgment of Compliance and Repose protected municipalities from anyone who would sue it and claim entitlement to a builder's remedy or other relief based upon the claim that the municipality was noncompliant.

In the wake of <u>Mount Laurel II</u>, developers sued municipalities seeking builder's remedies. The wave of builder's remedy lawsuits created the impetus for legislation to protect municipalities from builder's remedies. A decision by Judge Serpentelli, one of three judges appointed by Chief Justice Wilentz to implement <u>Mount Laurel II</u>, increased the need for a legislative cure. More specifically, in 1984, Judge Serpentelli issued the AMG decision, which established a formula for any developer to determine the fair share obligation of any municipality.

The pressure of builder's remedy suits, combined with the ease in determining the fair share of any municipality through the AMG formula, culminated in the enactment of the New Jersey Fair Housing Act in 1985. The Fair Housing Act (FHA) is found at <u>N.J.S.A.</u> 52:270-301, <u>et seq.</u> The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the FHA to add requirements for very low-income housing. Very lowincome households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50% of the region's median household income. Moderate-income households are those with incomes no greater than 80% and

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no less than 50% of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

# **First and Second Rounds**

The First and Second Rounds under COAH are collectively referred to as the "Prior Round." The Prior Round obligation is the cumulative 1987-1999 fair share obligation. The First Round consists of the six-year period between 1987 and 1993 for which COAH first established a formula for determining municipal affordable housing obligations (N.J.A.C. 5:92-1 *et seq.*). Then in 1994, COAH established amended regulations (N.J.A.C. 5:93-1.1 *et seq.*) and produced additional municipal affordable housing obligations for the years 1993 to 1999. This round of obligations is known as the Second Round. When COAH adopted regulations for the Second Round, it made the First and Second Round obligations cumulative for both periods.

# Third Round

Housing rounds were originally established by the Fair Housing Act as six-year periods, but in 2001 the Legislature extended the rounds to 10-year periods. This should have meant that the Third Round ran from 1999 to 2009. However, COAH didn't establish new rules for the Third Round until the end of 2004 (N.J.A.C. 5:94-1 and 95-1 *et seq.*). The Third Round time period was therefore extended to 2014. The Third Round rules established a new method for calculating a municipality's affordable housing obligation, known as "growth share." This method required municipalities to project future residential and non-residential development and then derive their obligation from that growth.

After the New Jersey Appellate Court invalidated several components of the Third Round rules, COAH released revised rules in 2008. The Third Round was once again extended to 2018 to provide municipalities with the time to apply the amended rules and establish mechanisms to meet their obligations. The revised third round rules, like the initial third round rules, established the obligations based on a growth share approach.

On October 8, 2010, in response to numerous legal challenges to the second iteration of COAH's Third Round regulations, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula and directed COAH to use similar methods to those used in the First and Second Rounds.

COAH proposed Third Round regulations a third time in 2014 using a formula similar to the ones it had used in the First and Second Rounds. However, when COAH held a meeting to consider adopting these rules on October 20, 2014, the COAH Board deadlocked its vote and then failed to make any efforts to break the deadlock.

On March 10, 2015, the New Jersey Supreme Court decided <u>In re Adoption of N.J.A.C. 5:96 & 5:97 by the</u> <u>N.J. Council on Affordable Housing</u>, 221 <u>N.J.</u> 1 (2015) (<u>Mount Laurel IV</u>), wherein it responded to COAH's failure to adopt defensible rules for the Third Round. This decision changed the landscape by which municipalities are required to comply with their constitutional obligation to provide their fair share of affordable housing.

<u>The</u> Supreme Court held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with <u>Mount Laurel</u> obligations. The decision also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose ("JOR") from a court, which was the "judicial equivalent" of Substantive Certification from COAH.

On January 18, 2017, the Supreme Court decided <u>In Re Declaratory Judgment Actions Filed by Various</u> <u>Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C.</u> 5:96, 221 <u>N.J.</u> 1 (2015) ("<u>Mount Laurel V</u>"), which held that need having accrued during the Gap Period (1999-2015) had to be addressed and was part of the Present Need. The Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap period that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional Present Need.

As the methodology and obligations from the Gap and Prospective Need had not been fully adjudicated at that time, various trial judges issued opinions on the appropriate methodology and 354 municipalities reportedly settled with Fair Share Housing Center wherein they negotiated the obligations for Round 3.

Municipal obligations were therefore broken down in Round Three Housing Element and Fair Share Plans as Present Need/Rehabilitation, Prior Round (1987-1999), and Third Round and Gap Period (1999-2015). Municipalities that received their Final Judgement of Compliance and Repose had immunity from builders' remedy lawsuits through the end of the Third Round, June 30, 2025.

# Fourth Round

On March 18, 2024, the affordable housing legislation known jointly as Senate Bill S50 and Assembly Bill A4 passed both houses of the legislature. Governor Murphy signed the bill (P.L.2024, c.2) into law on March 20, 2024, establishing a new methodology for determining municipalities' affordable housing obligations for the Fourth Round and beyond. The new legislation, which comprehensively amends the FHA, overhauled the process that municipalities undertake to establish and plan for their constitutionally mandated affordable housing obligation. Most notably, this legislation formally abolished COAH while transferring some of its functions to the New Jersey Department of Community Affairs (DCA) and Housing Mortgage and Finance Agency (HMFA). The legislation also created a new entity known as the Affordable Housing Dispute Resolution Program or simply the Program, which consists of retired <u>Mount Laurel</u> judges as well as Special Adjudicators, to assist with mediations and to review and approve municipal Fourth Round Housing Elements and Fair Share Plans.

The amended FHA called on the DCA to issue a non-binding report on the new Present Need Obligation (commonly referred to as the rehab obligation) and the Prospective Need for Round 4 and subsequent rounds. The amended FHA required the DCA to base its analysis of the obligations for each municipality based upon the standards set forth in the amended FHA. Accordingly, on October 18, 2024, the DCA released a report outlining the Fourth Round (2025-2035) Fair Share methodology and its calculations of low- and moderate-income obligations for each of the State's municipalities. The amended FHA gave municipalities until January 31, 2025, to review the obligation reported by the DCA and perform their own analysis of their obligation based on the methodology in the legislation and previously established by the Courts. If any municipality wished to commit to an obligation. If a municipality wished to commit to the numbers that the DCA reported, the amended FHA required the municipality to adopt a resolution by anount to the numbers that the DCA reported, the amended FHA required the municipality to adopt a resolution by anount to the numbers that the DCA reported, the amended FHA required the municipality to adopt a resolution committing to the DCA numbers.

The amended FHA required any municipality that wished to participate in the new process that the Act created to file a declaratory relief action within 48 hours of adopting the resolution committing to the numbers the municipality deemed appropriate.

The amended FHA gave any interested party who wished to oppose the numbers to which any municipality committed to file an Answer by February 28, 2025, which included a particularized objection to the numbers to which the municipality committed.

The amended FHA gave the Program until March 31, 2025, to try to resolve any disputes over the fair share numbers to which a municipality committed

The amended FHA gives municipalities until June 30, 2025, to file a Fourth Round Housing Element and Fair Share Plan and related documents showing how the municipality will comply with its obligations. The Fourth Round Plans will follow the same general format as they have with certain updates to their requirements dealing with various types of housing and the bonus credit calculation system. Notably, HE/FSPs are required to be consistent with the State Development and Redevelopment Plan (SDRP), which has yet to be adopted. (A draft SDRP was released in late 2024). As part of the HE/FSP, municipalities shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds of affordable housing (i.e. First, Second, and Third Rounds).

# BOROUGH OF WEST CAPE MAY'S HISTORY OF AFFORDABLE HOUSING

The Borough adopted its first Housing Element and Fair Share Plan in June 2006. The Borough adopted an amended Housing Element and Fair Share Plan in September 2007. Subsequent to the first two plans,

COAH adopted amended Third Round regulations which led to the Borough's preparation and adoption of a new Housing Element and Fair Share Plan in September 2008.

On November 17, 2009, Judge Nugent entered an Order conditionally approving the Borough's 2008 Plan subject to certain conditions (see Appendix A). The Borough received an initial Round 3 Judgement of Compliance and Repose on January 13, 2010, which was amended by way of a second order entered by the Court on April 3, 2012 (see Appendix A).

In response to <u>Mount Laurel IV</u>, and the Borough's desire to avoid any potential builder's remedy lawsuits, West Cape May filed a Declaratory Judgement action on July 2, 2015. The Borough sought from the Court an affirmative declaration of compliance regarding all aspects of its affordable housing obligations.

Because of the uncertainty in calculating the Borough's obligation, the Borough and Fair Share Housing Center (FSHC) agreed that a settlement was in the best interest of the Borough and its residents. The Borough and its professionals entered into negotiations with representatives of the FSHC to settle the Borough's Declaratory Judgement action globally and to seek Court-approval for an accepted fair share obligation for the Borough. A settlement agreement was agreed to, and executed by FSHC on March 22, 2018 and the Borough on March 28, 2018 (see Appendix B).

After a properly noticed Fairness Hearing was held on May 23, 2018, the Court entered an Order on June 15, 2018, which approved the settlement agreement (see Appendix C). The 2018 Housing Element and Fair Share Plan effectuates the settlement which has been approved by the Court. A Compliance Hearing was held on August 28, 2018. The Court entered a Conditional Judgement of Compliance and Repose on August 31, 2018, which was finalized by the Court after all conditions were satisfied with the entry of a second order on November 13, 2018 (see Appendix D).

In order to fill the 2 unit gap in the Borough's RDP, an agreement was executed between the Borough and Habitat for Humanity to construct two new Habitat for Humanity homes. The agreement was executed on August 9, 2023 (see Appendix E). In addition, an amended Settlement Agreement between the Borough and FSHC was executed on August 16, 2023 to implement this amendment (see Appendix F).

The Court held a combined Fairness and Compliance Hearing on September 5, 2024, The Court entered an amended Third Round Judgement of Compliance and Repose on September 23, 2024 (see Appendix G).

The Borough adopted a resolution on January 23, 2025, committing to the Fourth Round Present and Prospective Need Obligations calculated by the DCA (See Appendix H), and filed a Fourth Round Declaratory Judgment Action with the Program and the Court on January 24, 2025 (See Appendix I). The Court entered an Order on March 27, 2025, established the Borough's Fourth Round Present and Prospective Need Obligations (See Appendix J).

# PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the FHA (<u>N.J.S.A.</u> 52:27D-310, <u>et seq.</u>) and the Municipal Land Use Law (MLUL) (<u>N.J.S.A.</u> 40:55D-28), municipalities in New Jersey are required to include a Housing Element/Fair Share Plan in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low- and moderate-income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderateincome households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of lowand moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low- and moderateincome housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1);
- f. A consideration of the lands that are most appropriate for construction of low- and moderateincome housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
- g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);

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- h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
- i. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

# PART 1: HOUSING ELEMENT

# **DEMOGRAPHIC CHARACTERISTICS**

#### Population

The population trends experienced in West Cape May, Cape May County, and the State of New Jersey from 1930 through 2023 are shown below. There were 934 residents in West Cape May in 2023, which was a decrease of 90 people, or -8.9 percent, from 2020. The Borough maintained a consistent population from 1930 to 2023, with the most significant increase in population occurring during the 1950s when the Borough's population increased by 14.8 percent. Cape May County and the State have also experienced continued growth since 1930. Both the County and State saw significant population increases during the 1950s as well.

	Table 1: Population Trends, 1930-2023									
	West Cape May, Cape May County, and New Jersey									
West Cape May				Cape	Cape May County			New Jersey		
Year	Dopulation	Cha	nge	Population	Cha	inge	Dopulation	Chan	ige	
real	Population	Number	Percent	Population	Number	Percent	Population	Number	Percent	
1930	1,048	-	-	29,486	-	-	4,041,334	-	-	
1940	934	-114	-10.9%	28,919	-567	-1.9%	4,160,165	118,831	2.9%	
1950	897	-37	-4.0%	37,131	8,212	28.4%	4,835,329	675,164	16.2%	
1960	1,030	133	14.8%	48,555	11,424	30.8%	6,066,782	1,231,453	25.5%	
1970	1,005	-25	-2.4%	59,554	10,999	22.7%	7,171,112	1,104,330	18.2%	
1980	1,091	86	8.6%	82,266	22,712	38.1%	7,365,011	193,899	2.7%	
1990	1,026	-65	-6.0%	95,089	12,823	15.6%	7,730,188	365,177	5.0%	
2000	1,095	69	6.7%	102,326	7,237	7.6%	8,414,350	684,162	8.9%	
2010	1,024	-85	-7.8%	97,684	-4,642	-4.5%	8,791,894	377,544	4.5%	
2020	1,010	14	1.4%	92,701	-4,983	-5.1%	9,288,994	497,100	5.7%	
2023	934	-90	-8.9%	95,236	2,535	2.7%	9,261,699	-27,295	-0.3%	
Total Change	-	-114	-10.9%	-	61,607	208.9%	-	5,220,365	129.2%	

Source: U.S. Census Bureau, Decennial Census and 2023: ACS 5-Year Estimates Table S0101

#### Population Composition by Age

The median age of the residents in West Cape May in 2020 was 60.1 years, a 9.3 percent increase from 55 years in 2010. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining the impact these changes have on housing needs, community facilities and services for the municipality. As detailed in the table below, the entire composition of West Cape May experienced notable shifts since 2010. The most significant increase was in the 25 to 34 age range, which saw an increase of 48.3 percent. The 65 and over age cohort also increased significantly by

approximately 31.2 percent. Large decreases were seen as well in the 45 to 54 age range (-47.2%) and the 15 to 24 age range (32.7%). The largest cohort in 2020 was the 65 and over age range (37.9%), which was also the highest majority age range in 2010.

Table 2: Population by Age, 2010 to 2020							
West Cape May							
Population	20	10	2020		Change (2010 to 2020)		
	Number	Percent	Number	Percent	Number	Percent	
Under 5 years	26	2.5%	26	2.6%	0	0.0%	
5 to 14	66	6.4%	56	5.5%	-10	-15.2%	
15 to 24	101	9.9%	68	6.7%	-33	-32.7%	
25 to 34	60	5.9%	89	8.8%	29	48.3%	
35 to 44	78	7.6%	76	7.5%	-2	-2.6%	
45 to 54	180	17.6%	95	9.4%	-85	-47.2%	
55 to 64	221	21.6%	217	21.5%	-4	-1.8%	
65 and over	292	28.5%	383	37.9%	91	31.2%	
Total population	1,024	100.0%	1,010	100.0%	-14	-1.4%	
Median Age	55	-	60.1	-	5.1	9.3%	

Source: U.S. Census Bureau, Decennial Census, Tables DP1, P12 and P13

Cape May County experienced age fluctuations as well, but not nearly as dramatically as the Borough. The most significant increase was also in the 65 and over age cohort, which grew by 26.9 percent. Significant decreases were experienced in the 45 to 54 age range (-29.8%), 15 to 24 (-20.2%), and under 5 cohort (-14.7%).

Table 3: Population by Age, 2010 to 2020 Cape May County						
Population	ion 2010		2020		Change (2000 to 2010)	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	4,547	4.7%	3878	4.1%	-669	-14.7%
5 to 14	10,018	10.3%	9457	9.9%	-561	-5.6%
15 to 24	11,520	11.8%	9,196	9.7%	-2,324	-20.2%
25 to 34	9,188	9.4%	9599	10.1%	411	4.5%
35 to 44	10,327	10.6%	9,023	9.5%	-1,304	-12.6%
45 to 54	15,403	15.8%	10807	11.3%	-4,596	-29.8%
55 to 64	15,285	15.7%	16,681	17.5%	1,396	9.1%
65 and over	20,977	21.6%	26,622	27.9%	5,645	26.9%
Total population	97,265	100.0%	95,263	100.0%	-2,002	-2.1%
Median Age	47.1	-	51.5	-	4.4	9.3%

Source: U.S. Census Bureau, Decennial Census, Tables DP1, P12 and P13

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#### Households

A household is defined as one or more people, either related or not, living together in a housing unit. In 2020 there was a total of 500 households in West Cape May, according to the 2020 US Census Bureau. Roughly 77 percent of the households were occupied by two people or less. The average household size of the Borough in 2020 was 2.10, similar to that of the County's average of 2.11. Both the Borough's and the County's largest percentage of households was a two-person household, 42.2% and 37.3% respectively. The Borough's second most common household size was one-person households (35.4%), as was the County's where one-person households represented 31.7 percent.

Table 4: Household Size of Occupied Housing Units, 2020							
West Cape May and Cape May County							
	West Cape May Cape May County						
	Number	Percent	Number	Percent			
1-person household	177	35.4%	12,998	31.7%			
2-person household	211	42.2%	15,278	37.3%			
3-person household	45	9.0%	5,213	12.7%			
4-person household	38	7.6%	4,168	10.2%			
5-person household	18	3.6%	2,063	5.0%			
6-person household	8	1.6%	809	2.0%			
7-or-more-person household	3	0.6%	483	1.2%			
Total Households	500	100.0%	41,012	100.0%			
Average Household Size2.102.			11				

Source: US Census Bureau 2020, Table H9

Family households are defined as two or more people living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. 63 percent of the households in the Borough in 2023 were family households, with most of these households being married-couple families without children (43% of all households). Roughly 45 percent of the households were one-person households, with 50.6 percent male householders and 49.4 percent female householders.

In providing more detail of American households, the 2023 American Community Survey includes the subgroups of non-traditional households: Other family and Non-family households. "Other" family households made up 6 percent of all households, all of which were female households with no husband present. "Nonfamily" households are defined as households that consist of a householder living alone or sharing the home exclusively with people whom he/she is not related. Non-family households comprised approximately 37 percent of all households in the Borough.

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Table 5: Household Size and Type, 2023						
West Cape May	West Cape May					
	Total	Percent				
Total Households	444	100%				
Family Households	280	63%				
Married couple family	253	57%				
With children	63	14%				
Without children	190	43%				
Other Family	27	6%				
Male householder, no spouse	0	0%				
With children	0	0%				
Without children	0	0%				
Female householder, no spouse	27	6%				
With children	0	0%				
Without children	27	6%				
Nonfamily household	164	37%				
Male householder	79	18%				
Living alone	71	16%				
Not living alone	8	2%				
With children	0	0%				
Female householder	85	19%				
Living alone	78	18%				
Not living alone	7	2%				
With children	0	0%				

Source: 2023 ACS 5-Year B11005 and B11010

#### Income

As measured in 2023, West Cape May had a lower median household income compared to Cape May County and the State of New Jersey. In 2023, the median income in West Cape May was \$79,375, roughly \$4,989 less than the County and \$21,675 less than the State's median income.

Table 6: Per Capital Household Income, 2023West Cape May, Cape May County, and New Jersey						
	Per Capital Income Median Household Income					
West Cape May	\$53,959	\$79,375				
Cape May County	\$58,343	\$84,364				
New Jersey	\$140,299 \$101,050					

Source: 2023 ACS 5-year Estimates, Tables S1901 and B19301

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In 2023, over 65 percent of all households in the Borough earned \$50,000 or more with the largest percentage (20.6%) earning \$50,000 to \$74,999. This percentage was followed by those households that earned \$100,000 to \$149,999 (13.6%) and finally those who earned \$150,000 to \$199,999 (12.8%). About 17 percent of households earned less than \$35,000. In Cape May County, the most common income bracket was tied between \$100,000 to \$149,999 and the \$150,000 to \$199,999 range with roughly 40 percent of households earning that much. Roughly 20 percent of households in the County earned less than \$35,000.

Table 7: Household Income, 2023West Cape May and Cape May County					
	West Cape May Cape May County				
	Number	Percent	Number	Percent	
Less than \$10,000	11	2.2%	1,484	3.6%	
\$10,000 to \$14,999	23	4.6%	1,451	3.5%	
\$15,000 to \$24,999	22	4.4%	2,263	5.5%	
\$25,000 to \$34,999	27	5.4%	3,024	7.4%	
\$35,000 to \$49,999	33	6.6%	4,274	10.4%	
\$50,000 to \$74,999	103	20.6%	6,501	15.9%	
\$75,000 to \$99,999	44	8.8%	5,933	14.5%	
\$100,000 to \$149,999	68	13.6%	8,191	20.0%	
\$150,000 to \$199,999	64	12.8%	8,196	20.0%	
\$200,000 or more	49	9.8%	6,408	15.6%	
Total Households	500	100.0%	41,012	100.0%	

Source: 2023 ACS 5-Year Estimates, Table B19001

# **Poverty Status**

Of the 934 people of West Cape May's population for which poverty status is determined, 44 individuals, or 4.7 percent, lived in poverty in 2023. Of those in poverty, the majority (3%) were in the age range of 65 and over. Roughly 1.7 percent were between the ages of 18 and 64, and none were children. The County had a much higher poverty rate of 8.0 percent, almost double that of the Borough.

Table 8: Poverty Status, 2023West Cape May and Cape May County						
West Cape May Cape May County						
	Number Percent Number Perce					
Total persons	934	100.0%	95,236	100.0%		
Total people below poverty level	44	4.7%	7,646	8.0%		
Under 18	0	0.0%	976	1.0%		
18 to 64	16	1.7%	4,895	5.1%		
65 and over	28	3.0%	1,775	1.9%		

Source: 2023 American Community Survey 5-Year Estimate, Table S1701

## Household Costs

The tables below show the expenditures for housing for those who own and rent housing in West Cape May and Cape May County. Most people in the Borough lived in homes they owned, and according to the 2023 5-year estimates by the ACS, roughly 34.6 percent of all owner-occupied households spent 30 percent or more of their household income on housing. About 63.4 percent of renter-occupied households spent 30 percent or more of their household income on housing. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated housing costs.

Table 9: Selected Monthly Owner Costs as a Percentage of Household Income, 2023         West Cape May and Cape May County						
	West Ca	ape May	Cape Ma	y County		
	Number	Percent	Number	Percent		
Total Owner-Occupied Housing Units	373	100.0%	35,180	100.0%		
Less than 20.0%	191	51.2%	17,194	48.9%		
20.0 to 24.9%	25	6.7%	5,064	14.4%		
25.0 to 29.9%	24	6.4%	2,829	8.0%		
30.0 to 34.9%	40	10.7%	2,343	6.7%		
35.0% or more	89	23.9%	7,321	20.8%		
Not computed	4	1.1%	429	1.2%		

Source: 2023 American Community 5-Year Estimates, Table DP04

Table 10: Gross Rent as a Percentage of Household Income, 2023 West Cape May and Cape May County						
	West C	аре Мау	Cape Ma	ay County		
	Number	Percent	Number	Percent		
Total Renter-Occupied Housing Units	71	100.00%	7,041	100.00%		
Less than 15%	6	8.5%	1,061	15.1%		
15.0 to 19.9%	9	12.7%	579	8.2%		
20.0 to 24.9%	2	2.8%	783	11.1%		
25.0 to 29.9%	9	12.7%	828	11.8%		
30.0 to 34.9%	12	16.9%	803	11.4%		
35.0% or more	33	46.5%	2,987	42.4%		
Not computed	0	0.0%	1,104	15.7%		

Source: 2023 American Community 5-Year Estimates, Table B25070

Similar to West Cape May, a large majority of Cape May County residents own their home. Roughly 27.5 percent of all County owner-occupied homes spent 30 percent or more of their household income on housing, and approximately 53.8 percent of renter-occupied households spend 30 percent or more of their household income on housing.

## **EXISTING HOUSING CONDITIONS**

#### **Housing Unit Data**

In 2023, West Cape May had a total of 444 occupied housing units. A majority of these units (373 or 84%) were owner-occupied while 71 units (16%) were renter-occupied. Housing construction has been variable since 1930, with the busiest time frame being 1939 or earlier (27.5%) and the least busy decade being 1940 to 1949 (2.0%). Most of the housing stock was built before 2000 (82%), and the median year of construction for the housing stock in West Cape May is 1981.

Table 11: Housing Data, 2023 West Cape May						
% of TotalNumber% of TotalHousingUnits						
Total Housing Units	1,032	100.00%	-			
Occupied Housing Units	444	43.0%	100.00%			
Owner Occupied	373	36.1%	84.0%			
Renter Occupied	71	6.9%	16.0%			
Vacant Housing Units	588	57.0%	-			

Source: 2023 American Community Survey 5-Year Estimates, Table DP04

Table 12: Year Structure Built, 2023 West Cape May						
Number Percent						
Total Housing Units	1,032	100.00%				
Built 1939 or earlier	284	27.5%				
Built 1940 to 1949	21	2.0%				
Built 1950 to 1959	97	9.4%				
Built 1960 to 1969	69	6.7%				
Built 1970 to 1979	118	11.4%				
Built 1980 to 1989	126	12.2%				
Built 1990 to 1999	132	12.8%				
Built 2000 to 2009	89	8.6%				
Built 2010 to 2019	87	8.4%				
Built 2020 or later	9	0.9%				
Median Year Structure Built	Median Year Structure Built 1981					

Source: 2023 American Community Survey 5-Year Estimates, Tables B25034 and B25035

According to the 2023 American Community Survey, of the 1,032 units in West Cape May, 444 (43%) were occupied while 588 (57%) were vacant. Of those units that were vacant, about 84.7 percent were "For Seasonal, Recreational or Occasional Use", another 14.5 percent were "For Rent/Rented Not Occupied", 0.5 percent were "For Sale Only" and 0.2 percent were "Other Vacant".

Table 13: Housing Occupancy, 2023 West Cape May						
	% of Vacant Housing Units					
Total Housing Units	1,032	100.00%	-			
Occupied	444	43.0%	-			
Vacant Housing Units	588	57.0%	100.0%			
For Rent/Rented Not Occupied	85	8.2%	14.5%			
For Sale Only	3	0.3%	0.5%			
Sold, not occupied	0	0.0%	0.0%			
For Seasonal, Recreational or Occasional Use	498	48.3%	84.7%			
For migrant workers	0	0.0%	0.0%			
Other Vacant	2	0.2%	0.3%			

Source: ACS 5-Year DP04 and B25004

# Housing Type and Size

Most of the housing stock in West Cape May is single-family detached housing, with most structures containing four to seven rooms. In 2023, there were 773 single-family detached homes representing 74.9 percent of the housing stock. Single-family attached were the next most common housing type with 140 units or 13.6 percent of the Borough's housing stock.

The median number of rooms within housing structures in West Cape May was 5.9 with the largest percentage of structures (23.1%) comprised of 6 rooms.

Table 14: Housing Type and Size, 2023 West Cape May					
Units in Structure	Total	Percent			
1, detached	773	74.9%			
1, attached	140	13.6%			
2	26	2.5%			
3 or 4	31	3.0%			
5 to 9	15	1.5%			
10 to 19	0	0.0%			
20 or more	0	0.0%			
Mobile home	47	4.6%			
Boat, RV, van, etc.	0	0.0%			
Total Housing Units	1,032	100.00%			
Rooms	Total	Percent			
1 room	7	0.7%			
2 rooms	3	0.3%			
3 rooms	43	4.2%			
4 rooms	138	13.4%			
5 rooms	234	22.7%			
6 rooms	238	23.1%			
7 rooms	179	17.3%			
8 rooms	80	7.8%			
9 or more rooms	110	10.7%			
Total Housing Units	1,032	100.00%			
Median number of rooms 5.9					

Source: 2023 ACS 5-Year Estimates, Tables DP04 and B25024

#### **Building Permit**

In terms of residential growth, the issuance of building permits serves as one of the indicators that help to determine housing needs in a given municipality. Table 15 below illustrates the number of building permits that were issued over the 10-year period between January 2014 through May 2024, when the Township issued building permits authorizing the development of 127 housing units. Most of the Borough's building permits were authorized between 2014 to 2018 and 2020 to 2021. During these periods 110 permits were authorized. Most of the construction in the last 14 years has been for one- and two-family structures, with only one multi-family permit authorized in 2019 and one mixed-use project being authorized in 2020.

Further, throughout the same 10-year period, West Cape May issued permits authorizing the demolition of 46 units, which averages approximately 4.2 units per year. The average demolition rate is approximately 36% of the abovementioned development rate (i.e., a home net increase of around 64%). If the demolition rate were to remain relatively constant over the next approximately 10-year period, an additional 46

residential units could be expected to be demolished between January 2025 and the end of 2035, resulting in a projected net increase of 81 units.

Table 15: Housing Units Authorized by Building Permits, 2014-2024							
West Cape May							
Year	1 & 2 Family	Multi Family	Mixed-Use	Total			
2014	10	0	0	10			
2015	18	0	0	18			
2016	13	0	0	13			
2017	21	0	0	21			
2018	15	0	0	15			
2019	8	1	0	9			
2020	13	0	1	14			
2021	19	0	0	19			
2022	0	0	0	0			
2023	4	0	0	4			
2024*	4	0	0	4			
Total 2014-2024	125	1	1	127			
10-Year Average							
10-Year Permit Project	ion (2025-2035)			127			

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

\*Note: 2024 Data includes January-May

Table 16: Housing Units Demolished by Building Permits, 2014-2024						
West Cape May						
Year	1 & 2 Family	Multi Family	Mixed-Use	Total		
2014	4	0	0	4		
2015	1	0	0	1		
2016	5	0	0	5		
2017	7	0	0	7		
2018	3	0	0	3		
2019	8	0	0	8		
2020	9	0	0	9		
2021	4	0	0	4		
2022	0	0	0	0		
2023	0	0	0	0		
2024*	5	0	0	5		
Total 2014-2024	46	0	0	46		
10-Year Average						
10-Year Demolition P	rojection (2025-2035)	)		46		

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

\*Note: 2024 Data includes January-May

## **Housing Values and Contract Rents**

According to the 2023 ACS Survey, roughly 85.8 percent of owner-occupied housing stock in West Cape May were valued at over \$300,000, and approximately 50.9 percent of all owner-occupied units were financed by a mortgage, contract to purchase, or similar debt. Housing values for owner-occupied housings units are listed in the table below along with mortgage status data. The most common housing-value range was \$500,000 to \$999,999 with 61.4 percent of all owner-occupied units falling within this range. The second most common value range was \$1,00,000 and greater, comprising 16.9 percent of all owner-occupied units. The median value of an owner-occupied housing unit in West Cape May in 2023 was \$698,300. Though most units with some type of mortgage were covered by just a primary mortgage (44.8%), roughly 49.1% percent had no mortgage at all. The median value of owner-occupied units in the County was significantly lower than that of the Borough at \$395,000. It's also the case that over a third of the County's housing units have no mortgage.

Table 17: Value for Owner-Occupied Housing Units, 2023								
West Cape May and Cape May County								
	West Cape May Cape May County					West Cape May		y County
	Number	Percent	Number	Percent				
Total	373	100.0%	35,180	100.0%				
Less than \$50,000	12	3.2%	1,168	3.3%				
\$50,000 to \$99,999	16	4.3%	587	1.7%				
\$100,000 to \$149,999	7	1.9%	552	1.6%				
\$150,000 to \$199,999	0	0.0%	2,169	6.2%				
\$200,000 to \$299,999	18	4.8%	6,656	18.9%				
\$300,000 to \$499,999	28	7.5%	11,899	33.8%				
\$500,000 to \$999,999	229	61.4%	8,585	24.4%				
\$1,00,000 and greater	63	16.9%	3,564	10.1%				
Median Value \$698,300 \$395,000								

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Source: 2023 American Community Survey 5-Year Estimates, Tables B25075 and B25077

Table 18: Mortgage Status, 2023         West Cape May and Cape May County							
	with			· · ·	unty % of Units with Mortgage		
Total Owner-Occupied Units	373	100.00%	-	39,371	100.00%	-	
Owner-Occupied Housing Units with a Mortgage	190	50.9%	100.00%	23,755	60.3%	100.00%	
With multiple mortgages:	19	5.1%	10.0%	3,741	9.5%	15.7%	
Mortgage with both second mortgage and home equity loan	0	-	0.0%	0	-	0.0%	
Home equity loan only	19	-	10.0%	3,104	-	13.1%	
Second mortgage only	0	-	0.0%	637	-	2.7%	
No second mortgage and no home equity loan	167	44.8%	87.9%	19,423	49.3%	81.8%	
Home equity loan without a primary mortgage	4	1.1%	2.1%	591	1.5%	2.5%	
Owner-Occupied Housing units without a mortgage	183	49.1%	-	15,616	39.7%	-	

Source: 2023 American Community Survey 5-Year Estimates, Table B25081

According to the 2023 5-year estimates produced by the ACS, the median contract rent in West Cape May was \$1,133. The highest percentage of renters (66.2%) paid between \$1,000 and \$1,499 for rent, followed by 21.1 percent paying \$500 to \$999 for rent. The County's median contract rent was slightly higher at \$1,147.

Table 19: Contract Rent, 2023						
West Cape May	West Cape May and Cape May County					
	West Cape May Cape May County					
	Number	Percent	Number	Percent		
Total Renter-Occupied Units	71	100.0%	9,189	100.0%		
Less than \$500	3	4.2%	754	8.2%		
\$500 to \$999	15	21.1%	2458	26.7%		
\$1,000 to \$1,499	47	66.2%	3127	34.0%		
\$1,500 to \$1,999	6	8.5%	1406	15.3%		
\$2,000 to \$2,499	0	0.0%	480	5.2%		
\$2,500 to \$2,999	0	0.0%	126	1.4%		
\$3,000 or More	0	0.0%	95	1.0%		
No Rent Paid	0	0.0%	743	8.1%		
Median Contract Rent	\$1,	133	\$1,	147		

Source: 2023 American Community Survey 5-Year Estimates, Table B25056 and B25058

According to the 2023 American Community Survey 5-Year Estimates, the median contract rent in West Cape May is \$1,133 per month (\$13,596 annually). A minimum annual income of \$45,320 would be necessary to afford the median contract rent. With 65 percent of the population in the Borough making

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more than \$50,000 annually, it can be said that rent is moderately affordable in West Cape May. The same could be said for the County level as well.

#### **Housing Conditions**

The table below details the condition of the housing within West Cape May. Overcrowding, plumbing, and kitchen facilities are used to determine housing deficiency. In 2023, there were five housing units in West Cape May that experienced overcrowding (more than one person per room). Throughout the Borough, no units lacked complete plumbing facilities or complete kitchen facilities, while four units lacked telephone services.

Table 20: Housing Conditions, 2023					
West Cape May Number Percent					
Heuse Hesting Fuel Occupied Heur		Percent			
House Heating Fuel-Occupied Housing Units					
Total	444	100.0%			
Utility gas	348	78.4%			
Bottled, tank, or LP gas	4	0.9%			
Electricity	81	18.2%			
Fuel oil, kerosene, etc.	9	2.0%			
Coal or coke	0	0.0%			
Wood	0	0.0%			
Solar energy	0	0.0%			
Other fuel	0	0.0%			
No fuel used	2	0.5%			
Occupants per Room – Occupied Ho	using Units				
Total	444	100.0%			
1.00 or Less	439	98.9%			
1.01 to 1.50	5	1.1%			
1.51 or More	0	0.0%			
Facilities – Total Units	444	100.0%			
Total		100.0%			
Lacking complete plumbing facilities	0	0.0%			
Lacking complete kitchen facilities	0	0.0%			
Telephone Service – Occupied Hou	sing Units				
Total	444	100.0%			
No Service	4	0.9%			
Sources: 2023 ACS 5-Year Estimates, Tables DP04, B25047,	B25051				

Sources: 2023 ACS 5-Year Estimates, Tables DP04, B25047, B25051

#### EMPLOYMENT DATA

The following tables detail changes in employment from 2010 to 2023 for West Cape May, Cape May County, and New Jersey. Employment in West Cape May has remained steady through 2023, as the labor force has experienced minimal change. The unemployment rate in West Cape May has decreased since 2010, with its lowest rate occurring in 2023, at 5.6 percent. In 2011, the unemployment rate reached a decade high of 19.7 percent. Since this peak, the unemployment rate has decreased but jumped again due to the COVID-19 pandemic to 12.7%. The unemployment rate of the Borough has remained steadily higher than that of the County and State as a whole, which have experienced similar unemployment trends over the past 13 years.

Т	Table 21: Employment and Residential Labor Force, 2010 to 2023 West Cape May					
Year	Labor Force	Employment	Unemployment	Unemployment Rate		
2010	471	391	80	17.0%		
2011	431	346	85	19.7%		
2012	531	453	78	14.7%		
2013	515	453	62	12.0%		
2014	511	460	51	10.0%		
2015	514	464	50	9.7%		
2016	506	460	46	9.1%		
2017	516	476	40	7.8%		
2018	513	476	37	7.2%		
2019	521	488	33	6.3%		
2020	496	433	63	12.7%		
2021	509	469	40	7.9%		
2022	517	483	34	6.6%		
2023	521	492	29	5.6%		

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

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Ta	Table 22: Employment and Residential Labor Force, 2010 to 2023					
	Cape May County					
Year	Labor Force	Employment	Unemployment	Unemployment Rate		
2010	50,195	43,055	7,140	14.2%		
2011	49,461	42,103	7,358	14.9%		
2012	49,771	42,044	7,727	15.5%		
2013	49,145	41,993	7,152	14.6%		
2014	48,478	42,554	5,924	12.2%		
2015	47,971	42,696	5,275	11.0%		
2016	46,740	42,164	4,576	9.8%		
2017	47,607	43,291	4,316	9.1%		
2018	47,157	43,286	3,871	8.2%		
2019	47,698	44,354	3,344	7.0%		
2020	45,738	39,457	6,281	13.7%		
2021	47,078	42,700	4,378	9.3%		
2022	47,265	44,058	3,207	6.8%		
2023	48,535	44,835	3,700	7.6%		

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Та	Table 23: Employment and Residential Labor Force, 2010 to 2023						
	New Jersey						
Year	Labor Force	Employment	Unemployment	Unemployment Rate			
2010	4,559,800	4,119,000	440,800	9.7%			
2011	4,561,800	4,134,700	427,100	9.4%			
2012	4,576,300	4,147,200	429,100	9.4%			
2013	4,528,000	4,147,700	380,400	8.4%			
2014	4,493,900	4,191,300	302,600	6.7%			
2015	4,494,600	4,237,900	256,700	5.7%			
2016	4,492,800	4,271,200	221,600	4.9%			
2017	4,615,000	4,406,200	208,800	4.5%			
2018	4,604,800	4,420,700	184,100	4.0%			
2019	4,686,300	4,524,300	162,000	3.5%			
2020	4,650,300	4,212,400	437,900	9.4%			
2021	4,666,100	4,357,200	308,900	6.6%			
2022	4,739,800	4,564,100	175,700	3.7%			
2023	4,829,671	4,615,722	213,949	4.4%			

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

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# Employment Status

The 2023 5-year American Community Survey estimates reveal that 57.7 percent of West Cape May's 16 and over population is in the labor force. 100 percent of the Borough's 16 and over population in the labor force are civilians, and 98% are employed. The County's labor force participation is about the same as that of Borough.

Table 24: Employment, 2023 West Cape May and Cape May County						
	V	Vest Cape Ma	ıy	C	ape May Cour	nty
	Number Labor Number				% of 16+ Population	% of Labor Force
Population 16 years and over	799	100.0%	-	80,597	100.0%	-
In labor force	461	57.7%	100.0%	46,201	57.3%	100.0%
Civilian Labor Force	461	57.7%	100.0%	45,696	56.7%	98.9%
Employed	452	56.6%	98.0%	42,940	53.3%	92.9%
Unemployed	9	1.1%	2.0%	2,756	3.4%	6.0%
Armed Forces	0	0.0%	0.0%	505	0.6%	1.1%
Not in labor force	338	42.3%	-	34,396	42.7%	-

Source: 2023 American Community Survey 5-Year Estimates, Table DP03

# Class of Worker and Occupation

According to the 2023 ACS Estimates, the majority of workers (58.4%) living in West Cape May were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was self-employed (21.9%), followed by those who work for the local government (11.1%).

Table 25: Class of Worker, 2023 West Cape May				
	Number	Percent		
Total Civilian Employed Workers (Age 16+)	452	100.0%		
Private Wage and Salary Worker	264	58.4%		
Private not-for-profit wage and salary workers	25	5.5%		
Local Government Worker	50	11.1%		
State Government Worker	14	3.1%		
Federal Government Worker	0	0.0%		
Self-Employed Worker or Unpaid Family Worker	99	21.9%		

Source: 2023 American Community Survey 5-Year Estimates, Table S2408

The occupational breakdown shown in the table below includes only private wage and salary workers. Those that worked within the private wage field were concentrated heavily in management and professional

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positions and sales and office occupations. Together the two fields account for roughly 70 percent of the entire resident workforce. Service occupations were also a significant employer of Borough residents, employing 23.5 percent of all the employed civilian population over 16 years old.

Table 26: Resident Employment by Occupation, 2023 West Cape May				
	Number	Percent		
Employed Civilian population 16 years and over	452	100.0%		
Management, business, science and arts occupations	186	41.2%		
Service occupations	106	23.5%		
Sales and office occupations	131	29.0%		
Natural resources, construction and maintenance occupations	5	1.1%		
Production Transportation and material moving occupations	24	5.3%		

Source: 2023 American Community Survey 5-Year Estimates, Table DP03

The most common industry for West Cape May's residents is educational services, employing approximately 25.4 percent of the Borough's resident workforce. The second most common industry is finance and insurance, and real estate and rental and leasing, which employs another 21 percent of the Borough's resident workforce.

Table 27: Employment by Industry, 2023 West Cape May			
Industry	Number	Percent	
Employed Civilian Population 16 Years and Over	452	100.00%	
Agriculture, forestry, fishing and hunting, mining	14	3.1%	
Construction	2	0.4%	
Manufacturing	0	0.0%	
Wholesale Trade	4	0.9%	
Retail Trade	53	11.7%	
Transportation and Warehousing, and Utilities	17	3.8%	
Information	3	0.7%	
Finance and insurance, and real estate and rental and leasing	95	21.0%	
Professional, scientific, and management, and administrative and waste management services	27	6.0%	
Educational services, and health care and social assistance	115	25.4%	
Arts, entertainment, and recreation, and accommodation and food services	85	18.8%	
Other Services, except public administration	23	5.1%	
Public administration	14	3.1%	

Source: 2023 American Community Survey 5-Year Estimates, Table DP03

#### **Commuting to Work**

According to the 2023 ACS Estimates, the mean travel time to work for those who lived in the Borough was 13.7 minutes. Most commuters, roughly 87 percent, traveled less than 25 minutes to work, and roughly 44 percent had less than a ten-minute commute.

Table 28: Travel Time to Work, 2023 West Cape May				
	Number	Percent		
Workers who did not work at home	347	100.0%		
Less than 5 minutes	32	9.2%		
5 to 9 minutes	121	34.9%		
10 to 14 minutes	65	18.7%		
15 to 19 minutes	33	9.5%		
20 to 24 minutes	50	14.4%		
25 to 29 minutes	8	2.3%		
30 to 34 minutes	13	3.7%		
35 to 39 minutes	0	0.0%		
40 to 44 minutes	8	2.3%		
45 to 59 minutes	10	2.9%		
60 to 89 minutes	4	1.2%		
90 or more minutes	3	0.9%		
Mean Travel Time to Work (minutes) 13.7		8.7		

Source: 2023 American Community Survey 5-Year Estimates, Table B08303 and DP03

The largest portion of workers drove to work alone (46.5%), while 11.5 percent carpooled. Approximately 18.7 percent of workers commuted via taxicab, motorcycle, bike, or other means and another 21.7 percent worked from home.

Table 29: Means of Travel to Work, 2023 West Cape May			
	Number	Percent	
Workers 16 years and over	443	100.0%	
Car, truck, van - Drove Alone	206	46.5%	
Car, truck, van - Carpooled	51	11.5%	
Public Transportation	4	0.9%	
Walked	3	0.7%	
Taxicab, Motorcycle, Bike, or Other	83	18.7%	
Worked at home	96	21.7%	

Source: 2023 American Community Survey 5-Year Estimates, Table DP03

# **Covered Employment**

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The tables below provide a snapshot of private employers located within West Cape May. The first table reflects the number of jobs covered by private employment insurance from 2013 through 2023. The second table reflects the disbursement of jobs by industry in 2023.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of jobs covered in West Cape May was in 2019 when 256 jobs were covered by unemployment

insurance. Private employment has remained relatively steady in West Cape May since 2013, with its largest loss occurring from 2019 to 2020 (-18.8%).

Table 30: Private Wage Covered Employment 2013 - 2023 West Cape May				
Year	Number of Jobs	# Change	% Change	
2013	213	-	-	
2014	210	-3	-1.4%	
2015	217	7	3.3%	
2016	218	1	0.5%	
2017	216	-2	-0.9%	
2018	237	21	9.7%	
2019	256	19	8.0%	
2020	208	-48	-18.8%	
2021	248	40	19.2%	
2022	229	-19	-7.7%	
2023	238	9	3.9%	

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

#### In-Borough Establishments and Employees by Industry: 2023

The table below depicts the average annual number of establishments and employees by industry sector that exist within the Borough, as grouped by North American Industry Classification System (NAICS). In 2023, the Borough had an annual average of 35 establishments employing on average 238 persons. Accommodations/Food was the predominant sector, accounting for 40 percent of the establishments in West Cape May and 38.2 percent of the Borough's in-place employment.

Table 31: Average Number of Establishments and Employees by Industry, 2023 West Cape May				
	Inductor ID and Decemintian	2	2023 Average	
	Industry ID and Description	Units	Employment	
11	Agriculture	-	-	
23	Construction	-	-	
31	Manufacturing	-	-	
42	Wholesale Trade	-	-	
44	Retail Trade	6	35	
48	Transport/Warehousing	-	-	
	Information	-	-	
52	Finance/Insurance	-	-	
53	Real Estate	-	-	
54	Professional/Technical	-	-	
55	Management	-	-	
56	Admin/Waste Remediation	-	-	
61	Education	-	-	
62	Health/Social	-	-	
71	Arts/Entertainment	-	-	
72	Accommodations/Food	14	91	
81	Other Services	-		
	Unclassified	-	-	
	Private Sector Totals	35	238	
	Local Government Totals	2	36	

Source: NJ Dept. of Labor & Workforce Development Labor Force, Quarterly Census of Employment and Wages (QCEW), Municipal Report by Sector (NAICS Based), 2022

Data have been suppressed (-) for industries with few units or where one employer is a significant percentage of employment or wages of the industry.

# **Probable Future Employment Opportunities**

The South Jersey Transportation Planning Organization (NJTPA) completes regional forecasts for the South Jersey metropolitan area every five years for populations, households, and employment. The most recent report was released in 2025. The 2025 SJTPO report predicts West Cape May's population will be 958 by 2050 (down 52 people from 2020). Due to the built-out nature of the Borough and environmental constraints, there is limited opportunity for job or housing growth.

Table 32: Population and Employment Projections, 2020 to 2050 West Cape May					
Catagory	2020	2050	Annualized	Overall P	rojected Change
Category	2020	(Projected)	Percent Change	Number	Percent
Population	1,010	958	-0.18%	-52	-5.1%
Households	-	-	-	-	-
Employment	-	-	-	-	-

Source: DVRPC Municipal Forecasts 2025

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# PART 2: FAIR SHARE PLAN

#### INTRODUCTION

The following Fair Share Plan ("Plan") details the Borough's Prior Round (1987-1999), Third Round (1999-2025), and Fourth Round (2025-2035) Prospective Need obligations, as well as the Borough's Fourth Round Present Need. It should be noted that the Borough has no Present Need Obligation.

This Plan proposes mechanisms by which the Borough can realistically provide opportunities for affordable housing for those moderate-, low-, and very low- income households.

# **CURRENT STANDARDS**

The below section details the current key standards applicable to the Borough's Fourth Round obligation including the various categories of credits.

# Age-Restricted Housing

A municipality may not satisfy more than 30% of the affordable units, exclusive of bonus credits, to address its prospective need affordable housing through the creation of age-restricted housing.

# Transitional Housing

Transitional housing units, which will be affordable for persons of low- and moderate-income, were not previously categorized by the Fair Housing Act as a standalone housing type. The amended legislation includes such transitional housing units as a new category which may be included in the HEFSP and credited towards the fulfillment of a municipality's fair share obligations. This is limited to a maximum of 10% of the municipality's obligations.

#### Veterans Housing

Up to 50% of the affordable units in any particular project may be prioritized for low- and moderate-income veterans.

# Families with Children

A minimum of 50% of a municipality's actual affordable housing units, exclusive of bonus credits, must be made available to families with children.

#### **Rental Units**

A minimum of 25% of a municipality's actual affordable housing units, exclusive of bonus credits, shall be satisfied through rental units. At least half of that number shall be available to families with children.

## Very-Low Income Requirement

At least 13% of the housing units made available for occupancy by low-income and moderate-income houses shall be reserved for very low-income households earning 30% or less of the median income

pursuant to the Fair Share Housing Act, <u>N.J.S.A</u>. 52:27D-301, et seq. Half of the very low-income units will be made available to families with children.

# Low/Moderate Income Split

At least 50% of the units addressing the Borough's obligation shall be affordable to very-low income and low-income households, and the remaining may be affordable to moderate-income households.

# Affordability Controls

Newly created rental units shall remain affordable to low-and moderate-income households for a period of not less than 40 years, 30 years for for-sale units, and 30 years for housing units for which affordability controls are extended for a new term of affordability, provided that the minimum extension term may be limited to no less than 20 years as long as the original and extended terms, in combination, total at least 60 years.

# Affirmative Marketing

The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law, to include the community and regional organizations identified in the agreement as well as the posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law.

# Uniform Housing Affordability Controls (UHAC)

All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to <u>N.J.A.C.</u> 5:80-26.1 et seq. as amended.

# Unit Adaptability

All new construction units shall be adaptable in conformance with P.L.2005, c.250/N.J.S.A. 52:27D-311a and -311b and all other applicable laws.

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# Bonus Credits

Bonus credits shall not exceed 25% of a municipality's prospective need obligation, nor shall a municipality receive more than one type of bonus credit for any one unit. Bonus credits may be granted on the following schedule:

Unit Type	Unit Credit	Bonus Credit
Each unit of low- or moderate-income housing for individuals with special needs or permanent supportive housing, as those terms are defined in section 2 of P.L. 2004, c.70 (C.34:1B-21.24).	1	1
Each low- or moderate-income ownership unit created in partnership sponsorship with a non-profit housing developer.	1	0.5
Each unit of low- or moderate-income housing located within a one-half mile radius, or one-mile radius for projects located in a Garden State Growth Zone, as defined in section 2 of P.L.2011, c.149 (C.34:1B-243), surrounding a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations. <sup>1</sup>	1	0.5
A unit of age-restricted housing, provided that a bonus credit for age- restricted housing shall not be applied to more than 10 percent of the units of age-restricted housing constructed in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency in a municipality that count towards the municipality's affordable housing obligation for any single 10-year round of affordable housing obligations.	1	0.5
A unit of low- or moderate-income housing constructed on land that is or was previously developed and utilized for retail, office, or commercial space.	1	0.5
Each existing low- or moderate-income rental housing unit for which affordability controls are extended for a new term of affordability, in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency, and the municipality contributes funding towards the costs necessary for this preservation.	1	0.5
Each unit of low- or moderate-income housing in a 100 percent affordable housing project for which the municipality contributes toward the costs of the project. <sup>2</sup>	1	1
Each unit of very low-income housing for families above the 13 percent of units required to be reserved for very low-income housing pursuant to section 7 of P.L.2008, c.46 (C.52:27D-329.1).	1	0.5
Each unit of low- or moderate-income housing created by transforming an existing rental or ownership unit from a market rate unit to an affordable housing unit. <sup>3</sup>	1	1

<sup>1</sup> The distance from the bus, rail, or ferry station to a housing unit shall be measured from the closest point on the outer perimeter of the station, including any associated park-and-ride lot, to the closest point of the housing project property.

<sup>2</sup> This contribution may consist of: (a) real property donations that enable siting and construction of the project or (b) contributions from the municipal affordable housing trust fund in support of the project, if the contribution consists of no less than three percent of the project cost.

<sup>3</sup> A municipality may only rely on this bonus credit as part of its fair share plan and housing element if the municipality demonstrates that a commitment to follow through with this market to affordable agreement has been made and: (a) this agreement has been signed by the property owner; or (b) the municipality has obtained ownership of the property.

# WEST CAPE MAY BOROUGH AFFORDABLE HOUSING OBLIGATIONS

The Borough's affordable housing obligations are as follows:

West Cape May Borough Obligation		
Rehabilitation Share	0	
Prior Round Obligation (1987-1999)	7	
Third Round Obligation (1999-2025)	50	
Fourth Round (2025-2035) Prospective Need Obligation	11	

# **REVIEW OF PRIOR ROUND COMPLIANCE**

As part of any Housing Element and Fair Share Plan, a municipality shall include an assessment of the degree to which the municipality has met its fair share obligation from the previous rounds of affordable housing obligations as established by prior Court approval or approval by COAH and determine to what extent this obligation is unfulfilled or whether the municipality has credits in excess of its previous round obligations. If a previous round obligation remains unfulfilled, or a municipality never received an approval from the Court or COAH for any previous round, the municipality shall address such unfulfilled previous round obligation in its Housing Element and Fair Share Plan.

In addressing previous round obligations, the municipality shall retain any sites that, in furtherance of the previous round obligation, are the subject of a contractual agreement with a developer, or for which the developer has filed a complete application seeking subdivision or site plan approval prior to the date by which the Housing Element and Fair Share Plan are required to be submitted, and shall demonstrate how any sites that were not built in the previous rounds continue to present a realistic opportunity.

#### Prior Round Compliance (1987-1999)

Pursuant to the FSHC Settlement Agreement and the JOR, the Borough has a Prior Round obligation of 7. The Borough met its obligation through the following mechanisms:

#### Credits Without Controls

The Borough used one (1) Credit Without Controls credit as a means to address its Prior Round obligation. This credit without control was approved by the Court in the Borough's Third Round Judgment of Compliance and Repose.

# Cape Manor House Supportive Shared Living Housing Facility

The constructed and occupied Cape Manor House Supportive Shared Living Housing Facility has a total of seven (7) bedrooms. It is located at 339 Fifth Avenue (Block 52, Lot 62.02). The supportive housing center

opened in September 2010 as a result of a partnership between the Borough, Collaborative Support Programs of New Jersey, Inc., and Community Investment Strategies, Inc. Funding for the project was provided by the New Jersey Housing and Mortgage Special Needs Trust Fund, The Reinvestment Fund's PLAN Program, the New Jersey Department of Community Affairs Small Cities Program, State Rental Assistance Program, State Division of Mental Health Services and the Federal Home Loan Bank of New York's Affordable Housing Program. The Cape Manor House operates as a permanent supportive housing center.

The Borough applied four (4) of these bedroom credits to its Prior Round obligation. All seven (7) affordable housing credits for the Cape May House Supportive Shared Living Facility were approved by the Court in the Borough's 2018 Final JOR Order.

#### Rental Bonus Credits

The Borough utilized two (2) rental bonus credits as a means to address its Prior Round Obligation.

#### Summary of Prior Round Obligation

The Borough fully addressed its 7-unit Prior Round obligation as follows:

Prior Round Obligation	
Credits Without Controls	1 credit
Cape Manor House	4 credits
Rental Bonus Credits	2 credits
Total	7 Credits

#### **Third Round Compliance**

The Borough had a Third Round obligation of 50 units. As part of its Third Round compliance process, the Borough received a Vacant Land Adjustment in 2018 due to its lack of vacant and developable land. Based on the approved 2018 VLA, the Borough received a Realistic Development Potential (RDP) of 10 units and an Unmet Need of 40 units.

The following mechanisms address the Borough's RDP of 10 units.

#### Accessory Apartments

The Borough used a total of two (2) credits from its Accessory Apartment program. The two accessory apartments are constructed and occupied. As per the Borough's 2018 Round 3 Final JOR Order, one is a three bedroom very-low-income unit and the other is a two-bedroom moderate income unit. The two Accessory Apartment credits were approved by the Court in the Borough's Round 3 2018 JOR Order. In

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addition, the Borough modified its Accessory Apartment Ordinance on October 10, 2018 to (1) require the standard 10-year deed restriction as per N.J.A.C. 5:93-5.9(e), rather than the 15-year deed restriction that was required in the Borough's previous Accessory Apartment Ordinance, (2) allow for units to be produced in no particular order as to whether the unit is very low, low or moderate, (3) not require any particular bedroom mix as per N.J.A.C. 5:93-5.9(b) and (4) no longer require minimum unit sizes. The Borough's Accessory Apartment Program continues to offer larger subsidies than the minimum \$10,000 per unit allowed under N.J.A.C. 5:93-5.9(a)(2) as follows: \$70,000 for a very low-income unit, \$40,000 for a low-income unit and \$25,000 for a moderate-income unit (see Appendix K).

#### Habitat for Humanity

The Borough will utilize two (2) credits from two three-bedroom affordable for-sale Habitat for Humanity (Habitat) homes, which will be constructed on two subdivided parcels located on Willow Avenue (Block 21.02, Lot 27). One Habitat home will be occupied by a low-income household, and the second Habitat home will be occupied by a moderate-income household. The Borough and Habitat entered into an Affordable Housing Agreement on August 9, 2023 (see Appendix E), and the homes will be deed restricted for a period of at least 30 years. According to the 2023 agreement, the Borough will (1) work with the Borough Planning Board to subdivide Block 21.02, Lot 27 into three parcels, two of which will be conveyed to Habitat for \$1 each, (2) will contribute \$50,000 to Habitat from its Affordable Housing Trust Fund to assist Habitat with the construction costs of the two homes, and (3) will utilize additional Affordable Housing Trust Fund affordability assistance monies to pay for the costs of site preparation and sewer connection costs. The Borough Planning & Zoning Board approved the subdivision on August 9, 2023 (see Appendix E). The credits for this project were part of an Amended Settlement Agreement with FSHC, which was approved along with an Amended Third Round Housing Element and Fair Share Plan at a combined Fairness and Compliance Hearing held on September 5, 2024, which was memorialized by the Court entering an amended Third Round Judgment of Compliance and Repose on September 23, 2024 (see Appendix G). The Borough is currently in the process of transferring the two parcels to Habitat.

#### Site Suitability Analysis

Pursuant to <u>N.J.A.C.</u> 5:93-1.3, sites that are designated to produce affordable housing in this plan shall be available, approvable, developable, and suitable according to the following criteria:

- "Available site" means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing. <u>N.J.A.C</u>. 5:93-1.3.
- "Approvable site" means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing. <u>Ibid</u>.

- "Developable site" means a site that has access to appropriate water and sewer infrastructure, and
  is consistent with the applicable area wide water quality management plan (including the
  wastewater plan) or is included in an amendment to the area wide water quality management plan
  submitted to and under review by the DEP. <u>Ibid</u>.
- "Suitable site" means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in <u>N.J.A.C.</u> 5:93-4. <u>Ibid</u>.

Habitat for Humanity (Block 21.02, Lot 27) is available, approvable, developable and suitable as per <u>N.J.A.C</u>. 5:93-1.3 as follows:

- The site is available as:
  - The Borough owns the site, and is in the process of transferring two of the parcels for \$1 each to Habitat for Humanity to build two single-family for-sale affordable homes. Thus, the Borough is in the process of transferring site control to Habitat for Humanity, which satisfies the "available" definition.
  - The site has no easements preventing its development.
  - The site is vacant and is currently undeveloped.
- The site is approvable in that:
  - The site is located within the Borough's R-1 Urban Residential District where single family dwellings are a permitted principal use. Therefore, the proposed development is consistent with the existing zoning of the site.
  - The Borough and Habitat entered into an Affordable Housing Agreement on August 9, 2023, to construct the homes. The agreement ensures the homes will remain deed restricted as affordable housing for a period of at least 30 years.
- The site is developable in that:
  - It has access to appropriate water and sewer infrastructure capacity and is located in a sewer service area.
  - The entirety of the site is located outside of the FEMA 100-year floodplain and is located outside of wetlands areas.
- The site is suitable in that:
  - It is located in a single-family neighborhood, which makes the two proposed Habitat for Humanity single family affordable for-sale houses compatible with surrounding land uses.

 The site has access to appropriate streets as the site has frontage along Willow Avenue, which is an improved public street. County Route 626 (referred to as Broadway) is one of the main throughfares through the municipality and is located only two blocks from Willow Avenue.

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#### Cape Manor House Supportive Shared Living Housing Facility

The Borough applied the remaining three (3) bedroom credits from the supportive housing facility to its RDP.

#### Rental Bonus Credits

The Borough will utilize three (3) rental bonus credits as a means to address its RDP.

Third Round Obligation/RDP	
Accessory Apartments	2 credits
Habitat for Humanity	2 credits
Cape Manor House	3 credits
Rental Bonus Credits	3 credits
Total	10 Credits

#### Addressing the Third Round Unmet Need

Pursuant to the FSHC Settlement Agreement, the Borough had a remaining unmet need of 40 units. The Borough addressed its unmet need by utilizing the following mechanisms:

#### Existing Inclusionary Zoning

The Borough continues to allow residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District.

The Borough adopted an Overlay Ordinance on October 10<sup>th</sup>, 2018 to modify the C-1, C-2 and C-3 zones to 1) require affordable housing set-asides of 20% for for-sale units and 15% for rental units in all projects that produce five or more residential units regardless of the height of the buildings involved; 2) not allow buildings taller than 35 feet while retaining the three-story limit; 3) require that all residential affordable housing projects provide 13% very-low-income units, 37% low-income units and 50% moderate-income units; and 4) require that all affordable units comply with UHAC bedroom distribution requirements. (see Appendix K).

#### Accessory Apartments

Since the Borough's RDP was fully addressed, any additional accessory apartment units created under the Borough's accessory apartment program will be applied to the Borough's unmet need.

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#### Mandatory Set Aside Ordinance

The Borough adopted a Borough-wide Mandatory Set-Aside Ordinance (MSO) which requires that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more units to produce affordable housing at a set-aside of 15% for rental projects and 20% for for-sale projects (see Appendix L).

The adoption of the MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May to grant such rezoning, variance, redevelopment designation or other relief. The MSO does not apply to the C-1, C-2 and C-3 zones.

Third Round Unmet Need	
Existing Inclusionary Zoning	Addresses Third Round
Accessory Apartments	Unmet Need of 40
Mandatory Set Aside Ordinance	
Total	40

#### FOURTH ROUND PRESENT NEED / REHABILITATION OBLIGATION

As previously noted, the Borough has a 0-unit Fourth Round Rehabilitation Obligation.

#### FOURTH ROUND PROSPECTIVE NEED OBLIGATION

On October 18, 2024, the New Jersey Department of Community Affairs ("DCA") released a report outlining the Fourth Round (2025-2035) Fair Share methodology and its calculations of low- and moderate-income obligations for each of the State's municipalities. The obligations were calculated in alignment with the formulas and criteria found in P.L.2024, c.2. On January 22nd, 2025, the Borough adopted Resolution #48-25 accepting their Fourth Round DCA calculated rehabilitation obligation of 0 and the Prospective Need obligation of 11 (see Appendix H).

#### Vacant Land Adjustment

Municipalities can request an adjustment to their obligation based on the determination that there is not sufficient vacant or developable land within the municipality. As permitted by <u>N.J.A.C.</u> 5:93-4 and the Fair Housing Act, a municipality can submit a Vacant Land Adjustment (VLA) that examines the amount of parcels available for development. The end result of the Vacant Land Adjustment is the determination of the Borough's Realistic Development Potential (RDP) for new affordable housing units. After subtracting out the RDP from the obligation, the remaining calculation is known as the "unmet need."

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Since the Borough lacked sufficient land to satisfy its Round 3 obligation, it lacks sufficient land to satisfy the additional 11 unit obligation for Round 4. Moreover, there have been no changed circumstances since the Court entered a Judgment of Repose approving the Borough's VLA and RDP on November 13, 2018.

It should be noted that the amended FHA permits a municipality to rely on COAH regulations that are not inconsistent with the amended FHA or a binding Court decision. The following COAH regulation is relevant:

<u>N.J.A.C</u>.5:97-5.1(d): A vacant land adjustment that was granted as part of a first round certification or judgment of compliance shall continue to be valid provided the municipality has implemented all of the terms of the substantive certification or judgment of compliance, and received or petitioned to the Council for second round substantive certification or was under the Court's jurisdiction for second round. If the municipality failed to implement the terms of the substantive certification or judgment or judgment of compliance, the Council may reevaluate the vacant land adjustment.

In conclusion, due to the lack of developable land, the Borough has an RDP of Zero (0) for the Fourth Round Prospective Need obligation.

#### Addressing the Fourth Round Unmet Need

Pursuant to the FSHC Settlement Agreement, the Borough has a remaining unmet need of 11 units. The Borough proposes to address its unmet need by utilizing the following mechanisms:

#### Existing Inclusionary Zoning

The Borough will continue to allow residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District (see Appendix J).

#### Accessory Apartments

Any additional accessory apartment units created under the Borough's Accessory Apartment Program will be applied to the Borough's Fourth Round Unmet Need.

#### Mandatory Set Aside Ordinance

The Borough adopted a Borough-wide Mandatory Set-Aside Ordinance (MSO) which requires that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more units to produce affordable housing at a set-aside of 15% for rental projects and 20% for for-sale projects. The Borough will amend its MSO to require 20% for both rental and for-sale projects.

The adoption of the MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May to grant such rezoning, variance, redevelopment designation or other relief. The MSO does not apply to the C-1, C-2 and C-3 zones.

#### Fourth Round Summary

Fourth Round Obligation	
RDP	0
Unmet Need	11
Total	11

#### CONSISTENCY WITH STATE PLANNING REQUIREMENTS

#### State Plan

In accordance with the amended Fair Housing Act, Housing Elements and Fair Share Plans shall provide an analysis of consistency with the State Development and Redevelopment Plan (SDRP), including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

New Jersey adopted its last SDPR in 2001. A draft amendment to the SDRP was prepared in 2011 but ultimately never adopted. The Office of Planning Advocacy released a new draft SDRP on December 4, 2024. The State is currently going through the Plan conformance process.

The 2024 draft SDRP maintains and expands upon the 2001 objectives for Metropolitan Planning Areas (PA5), which is the primary land designation assigned to the Borough of West Cape May. In the Environmentally Sensitive Planning Area, the intent of the State Plan is to:

- protect environmental resources;
- protect both large and small contiguous areas of land;
- promote restoring habitats and bio-diversity;
- accommodate growth only in Centers;
- confining programmed sewers and public water services to Centers;
- revitalize cities, towns, and older traditional settlements; and
- protect, enhance, and diversify the existing character of stable communities.

Land use planning within West Cape May is consistent with the PA5 objectives, with the 2009 Sustainability Plan (referenced in the West Cape May 2016 Master Plan) outlining specific goals, including encouraging agriculture that is sustainable, Farmland Preservation, creating a Borough Open Space, Farmland and Historic Preservation Trust Fund, and supporting an environmentally sensitive approach to future development. Additionally, West Cape May development is guided by New Jersey's Coastal Area Facility Review Act (CAFRA), legislation through which coastal areas are further protected from overdevelopment.

#### **Multigenerational Family Housing**

An amendment to the Fair Housing Act requires "an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20)." As of the date of this Housing Plan, there have been no recommendations by the Multigenerational Family Housing Continuity Commission in which to provide an analysis.

#### **Consideration Of Affordable Housing Options**

The Borough did not receive proposals from developers of affordable housing projects to satisfy the Borough's Fourth Round Prospective Need Obligation. The Borough believes that the projects that exist and are proposed in this Housing Element and Fair Share Plan represent the best options for affordable housing in the Borough. While the Borough recognizes that developers may, in the future, present sites that possess characteristics that could lend themselves to affordable housing development, additional sites are not needed to satisfy the Borough's affordable housing obligations at this time.

\_\_\_\_\_

#### SUMMARY OF FAIR SHARE COMPLIANCE

Present Need Total	0	
Prior Round Obligation (1987-1999)	7	
Credits Without Controls		1
Cape Manor House		4
Rental Bonus Credits		2
Total	7	
Third Round Obligation - RDP	10	
Accessory Apartments		2
Habitat for Humanity		2
Cape Manor House		3
Rental Bonus Credits		3
Total	10	
Third Round Obligation – Unmet Need	40	
Existing Inclusionary Zoning		-
Existing Accessory Apartment Program		-
Existing Mandatory Set Aside Ordinance		-
Third Round Need Total		
Fourth Round Obligation - RDP	0	
Fourth Round Obligation – Unmet Need	11	
Existing Inclusionary Zoning		-
Existing Accessory Apartment Program		-
Existing Mandatory Set Aside Ordinance		-
Fourth Round Need Total	11	

## Appendix A

November 17, 2009 Order approving the Borough's initial Round 3 Housing Element and Fair Share Plan with conditions; January 13, 2010 Judgment of Compliance and Repose Order; and April 3, 2012 First Amendment to the Judgment of Compliance and Repose. 1201 Bacharach Boulevard, Atlantic City, NJ 08401 Phone: (609) 343-2394 Fax: (609) 343-2153

### Superior Court of New Jersey ATLANTIC COUNTY CIVIL LAW DIVISION



RECEIVED NOV 1 7 2009

 To:
 Kevin J. Thornton, Esq.
 From:
 William E. Nugent, J.S.C.

 Fx. 609-572-7503
 Howard Drucks, Esq.
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 Nicholas T. Menas, Esq.

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 Kevin D. Walsh, Esq.
 Fx. 856-663-8182
 Fx. 856-663-8182

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Re:	Sixth	Street v. West Cap	e May CC:		
	Docket No. CPM-L-472-05-05		5-05		ىرىنى بىرىنىيەت بىرىن
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#### • Comments:

cc: Mary Beth Lonergan, PP, AICP 609-883-4044

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#### SUPERIOR COURT OF NEW JERSEY

WILLIAM E. NUGENT, J.S.C.

1201 Bacharach Boulevard Atlantic City, NJ 08401-4527 (609) 345-6700, ext. 3386 Law Clerk, (609) 345-6700, ext. 3436

November 17, 2009

Kevin J. Thornton, Esq. Cooper Levenson 1125 Atlantic Avenue – 3rd Floor Atlantic City, NJ 08401 Jeffrey R. Surenian, Esq. Jeffrey R. Surenian & Associates Brielle Galleria 707 Union Avenue, Suite 301 Brielle, NJ 08730

#### SENT VIA FAX & REGULAR MAIL

RE: Sixth Street v. Borough of West Cape May Docket No. CPM-472-05

Dear Counselors:

Enclosed is a copy of the order regarding the compliance hearing.

Very truly yours,

William E. Nugent, J.S.C.

WEN: ej

cc: Howard E. Drucks, Esq.
Nicholas T. Menas, Esq.
Erik C. Nolan, Esq.
Frank L. Corrado, Esq.
Kevin D. Walsh, Esq.
Mary Beth Lonergan, PP, AICP

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### FILED

COURT INITIATED NOV 1 7 2009

WILLIAM E. NUGENT, J.S.C.

Sixth Street		;
	Plaintiff	:
vs.		;
Borough of West Cape May		:
	Defendant	•

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SUPERIOR COURT OF NEW JERSEY CAPE MAY COUNTY CIVIL LAW DIVISION

DOCKET NO. CPM-L-472-05

This matter having come before the Court for a Compliance Hearing in the Atlantic County Civil Courthouse in Atlantic City, New Jersey on September 4, 2009, following publication of notice of said hearing on July 17, 2009, and the Court having considered the testimony presented by the parties, and thereafter having afforded the parties an opportunity to supplement their submissions, and having heard further argument on October 9, 2009, and for the reasons stated on the record;

IT IS on this 17th day of November, 2009 ORDERED AND ADJUDGED THAT:

<sup>1</sup>. The Housing Element and the Fair Share Plan of the Borough of West Cape May comply with the regulations of the Council On Affordable Housing and provide a reasonable opportunity for the development of affordable housing.

2. The Housing Element and Fair Share Plan are hereby approved, subject to the following terms and conditions:

#### A. REHABILITATION SHARE

(1) The Borough's rehabilitation share is 11 units. By December 8, 2009, the Borough shall advise the Master whether it will fund additional work on the 8 previously rehabilitated units to bring them up to the applicable code standard in order to receive up to 8 rehabilitation credits, or whether it will implement an 11-unit rehabilitation program.

(a) If the Borough implements an 11-unit rehabilitation program with Triad as the program administrator, the Borough's program manual and compliance plan shall include the implementation schedule for the proposed rehabilitation program. In addition, the Borough shall, by December 8, 2009, comply with Conditions #2, #3 and #4 of the Master's March 27, 2009 report.

(b) If the Borough decides to fund additional work on the 8 previously rehabilitated units to bring them up to the applicable code standard in order to receive up to 8 rehabilitation credits, then by December 8, 2009, the Borough shall provide to the Master proof that its rehabilitation program will be implemented to comply with COAH's regulations and that the 8 units will be rehabilitated up to applicable code standards.

(2) The Borough shall provide to the Master the Rehabilitation Program Manual and Compliance Plan which implement the schedule for the proposed rehabilitation program, and which shall include 10 year affordability controls.

(3) The Borough shall provide to the Master and to the Court status reports every six months demonstrating that the implementation plan is on schedule.

#### B. PRIOR ROUND OBLIGATION

(1) The Borough's prior round obligation share is 7 units. The Borough qualifies for one credit without control. The Borough proposes to satisfy its obligations by building a 7-unit supportive shared living housing facility ("Cape Manor"). By December 8, 2009, the Borough shall advise the Master of the status of the Building Permit and the anticipated date for commencement of construction. Full Occupancy is expected by June 2010.

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(2) Additionally, by December 8, 2009, the Borough shall comply with conditions #8,

#9 and #10 on pages 30 and 31 of the Master's March 27, 2009 Report.

#### C. GROWTH SHARE OBLIGATION

#### ACCESSORY APARTMENT PROGRAM

(1). The Borough proposes an accessory apartment program (2 to 10 units) to satisfy its

Third Round Growth Share Obligation. The subsidies for the units shall be:

Bedroom Size		Proposed Fixed Subsidy
1 or 2	Very Low	70,000
3	Very Low	75,000
1 or 2	Low	40,000
3	Low	45,000
1 or 2	Moderate	25,000
3	Moderate	35,000

(2). By December 8, 2009, the Borough shall comply with Conditions 12 - 13 - 14 - 15- 16 - 17 - 18 - 19 of the Master's March 27, 2009 report.

(3). The first accessory apartment developed shall be a 3-bedroom, very low income unit.

(4). For the accessory apartment program the Borough shall provide no more than 20% one-bedroom units, at least 30% two-bedroom units, and at least 20% three-bedroom units. The remainder may be either two-bedroom or three-bedroom units. The Borough shall provide more detail on the proposed process to ensure two-bedroom and three-bedroom units will be produced.

(5). The Borough shall establish size minimums greater than 300 sq. feet for the apartments. The Borough shall provide proposed minimums to the Master by December 8, 2009.

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The Borough shall consider minimums that comply with DCA's Balanced Housing Program as set forth on page 6 of the Master's August 28, 2009 report.

(6). The Borough shall establish 15-Year Affordability Controls.

(7). By December 8, 2009, the Borough shall submit to the Master a Spending Plan, Accessory apartment manual and affirmative marketing plan.

(8). The Borough shall provide to the Court and to the Master Six Month Status Reports on the progress of the program.

(9). The Court and the Master shall review the program at one-year intervals.

(10). The Borough shall keep detailed records on the number of applicants for accessory apartments, the method of selecting tenants, and the reason any selected tenant is ultimately rejected if such occurs. The information shall be available to the Court, the Master, the Plaintiff, and any interested parties upon reasonable notice.

#### D. MONITORING AND MISCELLANEOUS ISSUES

(1). The Borough shall adopt by November 23, 2009, the required Fair Share Ordinance, Amended Development Fee Ordinance, and Accessory Apartment Ordinance.

(2). In addition to six-month status reports, the Borough's implementation of its accessory apartment program shall be evaluated yearly.

(3). The Borough shall be required to implement a small entirely affordable rental development if its accessory apartment program fails. Accordingly, the Borough shall begin to track sites within its "Center" suitable for a small 100% affordable housing development. The Borough shall provide six-month status reports to the Court, to the Master, and to the Plaintiff documenting its efforts to track such sites.

(4). If during the monitoring period the Court determines that the Borough's Housing Element and Fair Share Plan are not providing a reasonable opportunity for affordable housing, and that the Borough has not tracked sites within its Center suitable for 100% affordable housing, the Court shall consider permitting the development of one or more inclusionary housing developments outside of the center.

(5). Temporary repose from Builder Remedy Lawsuits is hereby granted through February 28, 2010.

#### E. FINAL ORDER

A Final Order which shall include the grant of repose to the Borough shall be issued on February 28, 2010, provided the Borough complies with the conditions and deadlines set forth herein.

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William E. Nugent, J.S.C. Date: November 17, 2009

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JEFFREY R. SURENIAN AND ASSOCIATES, LLC Brielle Galleria **FI1** 707 Union Avenue, Suite 301 Brielle, New Jersey 08730 JAN (732) 612-3100 Attorneys for Defendants, the Borough of West Cape May and the Borough of West Cape May Planning Board **WILLIAM E.** 

FILED

JAN 1 3 2010

WILLIAM E. NUGENT, J.S.C.

SIXTH STREET PARTNERS, LLC,

Plaintiff(s),

VS.

BOROUGH OF WEST CAPE MAY and BOROUGH OF WEST CAPE MAY PLANNING BOARD,

Defendant(s).

SUPERIOR COURT OF NEW JERSEY LAW DIVISION CAPE MAY COUNTY

DOCKET NO :: CPM-L-472-05

CIVIL ACTION - MOUNT LAUREL

JUDGMENT OF COMPLIANCE AND REPOSE FOR THE BOROUGH OF WEST CAPE MAY

THIS MATTER having come before the Court for a Compliance Hearing in the Atlantic County Courthouse in Atlantic City, New Jersey on September 4, 2009, following publication of notice of said hearing on July 17, 2009; and the Court having considered the testimony presented by the parties, and thereafter having afforded the parties an opportunity to supplement their submissions; and the Court having heard further argument on October 2, 2009; and the Court having indicated following the October 2, 2009 argument that it would make a decision on October 9, 2009; and the Court having made an oral decision to approve the Borough's Housing Element and Fair Share Plan on October 9, 2009 subject to various conditions; and the Court having further indicated that it would memorialize its oral decision in an order; and the Court having specified the conditions to the Court's approval; and the Borough having responded to the Court's October 9, 2009 decision, as further memorialized in the November 17, 2009 Order; and the Borough having addressed the conditions of approval that can reasonably be addressed at this time; and the Master having reviewed and confirmed the Borough has

addressed the conditions of approval that can reasonably be addressed at this time; and the Court being satisfied that the Borough has satisfied the conditions of its approval except for the conditions set forth below; and no other party having provided further comment on the conditions imposed by the Order of November 17, 2009; and no party having objected to the entry of this Order; and for the reasons stated on the record today;

IT IS on this 13 th day of And And ADJUDGED THAT:

1. The Borough of West Cape May has satisfied all of the terms and conditions imposed by the Court's November 17, 2009 Order, except as follows:

(a) The Borough shall provide to the Master and the Court status reports every six months demonstrating that the implementation plan for the Borough's Rehabilitation Program, Accessory Apartment Program and Supportive Housing Program are on schedule.

(b) The Borough's Construction Official shall certify that each of the previously rehabilitated units has been rehabilitated up to the applicable code when rehabilitation crediting documentation for such units is submitted by the Borough.
(c) The Master shall review the accessory apartment program at one year intervals and the Court will consider the Master's reviews.

(d) The Borough shall keep detailed records on the number of applicants for accessory apartments, the method of selecting tenants, and the reason any selected tenant is ultimately rejected if such occurs. The information shall be available to the Court, the Master, the Plaintiff, and any interested parties upon reasonable notice.

;

(e) The Borough shall implement a small entirely affordable rental development if its accessory apartment program fails. Accordingly, the Borough shall begin to

2

track sites within its "Center" suitable for a small 100% affordable housing development. The Borough shall provide six month status reports to the Court, to the Master and to the Plaintiff documenting its efforts to track such sites.

(f) If during the monitoring period, the Court determines that the Borough's Housing Element and Fair Share Plan are not providing a reasonable opportunity for affordable housing and that the Borough has not tracked sites within its Center suitable for 100% affordable housing, the Court shall consider permitting the development of one or more inclusionary housing developments outside of the center.

2. The Borough shall submit its amended development fee ordinance, spending plan and the Judgment of Repose to the Council on Affordable Housing ("COAH") for COAH's spending plan approval as required by P.L.2008, c.46 (N.J.S.A.52:27D-329.2).

3. The Master shall prepare a biennial review of West Cape May Borough's actual growth share to compare with plan evaluation pursuant to N.J.A.C. 5:96-10.

In view of the foregoing, the Court hereby declares its prior approval a final 4. Judgment of Compliance and Repose entitling the Borough and its Planning Board to protection from Mount Laurel lawsuits through September 10, 2018.

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JEFFREY R. SURENIAN AND ASSOCIATES, LLC Brielle Galleria 707 Union Avenue, Suite 301 Brielle, New Jersey 08730 (732) 612-3100 Attorneys for Defendants the Borough of West Cape May and the Borough of West Cape May Planning Board

SIXTH STREET PARTNERS, LLC,

Plaintiff,

vs.

BOROUGH OF WEST CAPE MAY and BOROUGH OF WEST CAPE MAY PLANNING BOARD,

Defendants.

APR - 3 2012

SUPERIOR COURT OF NEW JERSEY LAW DIVISION CAPE MAY COUNTY

DOCKET NO.: CPM-L-472-05

CIVIL ACTION – *MOUNT LAUREL* 

#### FIRST AMENDMENT TO JUDGMENT OF COMPLIANCE AND REPOSE FOR THE BOROUGH OF WEST CAPE MAY

This matter having been tried before the Court in the fall of 2008; and the Court having denied Plaintiff a builder's remedy via an order entered on January 20, 2009; and, after a properly noticed Compliance Hearing, the Court having granted the Borough of West Cape May (hereinafter the "Borough") a Judgment of Compliance and Repose ("JOR") for all three housing cycles via an order entered on January 13, 2010; and the Borough having satisfied the requirements of the JOR; and the Borough, the Court Master and Fair Share Housing Center ("FSHC") having expressed a desire to make certain modifications to the JOR in view of events that occurred subsequent to its execution; and in the fall of 2010, the Appellate Division having invalidated portions of the Council on Affordable Housing's ("COAH's") third round regulations in In re Adoption Of N.J.A.C. 5:96 and 5:97 By New Jersey Council On Affordable Housing, 416 N.J.Super. 462 (App. Div. 2010), certif. granted 205 N.J. 317 (2011); and as a result of this

decision there is no way to determine what the Borough's current third round obligation is; and the Appellate Division having held that a stay on a municipality satisfying its third round obligation could be granted on a case by case basis; and the Borough having promised to continue to implement its rehabilitation program to satisfy its 11 unit rehabilitation obligation; and the Borough having satisfied its prior round obligation of 7 units via one Credits With Out Controls credit, four (4) of the seven (7) credits from the already constructed and occupied seven-bedroom Cape Manor House Supportive Shared Living Housing Facility ("Cape Manor House") and two (2) prior round rental bonuses for constructed rental units; and the Borough having constructed and filled a three-bedroom very low income accessory apartment unit and a two-bedroom moderate income accessory apartment unit; and the Borough having a five-credit surplus (three (3) of the seven (7) credits from the Cape Manor House and two (2) credits from the two (2) completed accessory apartments) towards whatever third round obligation is assigned to the Borough by COAH; and the Borough seeking a stay of continuing to implement its accessory apartment program until a third round obligation is determined; and the Borough having promised to continue to implement its accessory apartment program after a new third round obligation is assigned - if that obligation is greater than five (5) units; and as a result of the success of the Borough's accessory apartment program, the Court agrees that the Borough no longer has to track sites for a possible small 100 percent affordable housing development; and as a result of the Borough's good faith efforts in implementing its various affordable housing programs, the Court agrees that annual reviews of the Borough's progress should replace reviews every six months; and FSHC having indicated in a letter to the court dated February 16, 2012 that it was agreeable to working out a form of order regarding the Borough's request for a stay in continuing to implement its accessory apartment program and deeming certain conditions of the

January 13, 2010 JOR satisfied; and the Borough, FSHC, the Court Master and the Court having reviewed and approved this form of order; and good cause appearing.

IT IS on this  $3\pi/2$  day of APR/2, 2012 ORDERED as follows:

1. The Borough is entitled to two (2) rehabilitation credits. The Borough will continue to implement its rehabilitation program in accordance with its court-approved rehabilitation schedule to satisfy the remainder of its rehabilitation obligation.

2. The Borough has satisfied its prior round affordable housing obligation of seven (7) units with one Credit With Out Controls credit, four (4) of the seven (7) credits from the constructed and occupied Cape Manor House Supportive Shared Living Housing Facility and two (2) prior round rental bonuses for constructed rental units.

3. The Borough has five (5) additional affordable housing credits (three (3) of the seven (7) credits from Cape Manor House and two (2) credits from two constructed and occupied accessory apartments) that it can apply towards whatever third round obligation COAH assigns to the Borough.

4. The Borough is granted a stay of having to further implement its accessory apartment program unless and until COAH assigns the Borough a third round obligation greater than five (5) units. If the number assigned is five or less, then the Borough will not have to build any additional accessory apartments. The Borough will have 45 days from the assignment of a new Third Round obligation to notice FSHC and the Court Master that it has sufficient credits and to submit an order to the Court reaffirming West Cape May's Third Round Judgment of Compliance and Repose. If the number is greater than five, or if the Borough's plan otherwise needs to be modified to comply with new third round regulations, the Borough will resume implementation of its accessory apartment program up to the number of units needed to satisfy

its newly assigned third round obligation; or will find another way, acceptable to the Court, to meet its newly defined obligation, submitting a revised Housing Element and Fair Share Plan that will include these mechanisms by the new third round filing deadline.

5. Since Cape Manor House has been constructed and occupied, two (2) accessory apartments have been constructed and occupied, and the Borough's accessory apartment program has been stayed, Condition 1(a) of the JOR order entered by the Honorable William E. Nugent, J.S.C. on January 13, 2010 is modified as follows: "The Borough shall provide to the Court Master, the Court and interested parties status reports every year regarding the implementation of the Borough's rehabilitation program. If the Borough's accessory apartment program is restarted in the future, progress will also be reported on an annual basis."

6. Condition 1(e) of the January 13, 2010 JOR order is deemed satisfied. The Borough's accessory apartment program has been successful, and can be re-started in the future, if need be, so it is no longer necessary for the Borough to continue to look for sites for a possible one hundred percent affordable project.

7. All provisions in this Court's January 13, 2010 JOR order not modified by this order remain in full force and effect.

James E. Isman, J.S.C

## Appendix B

Settlement Agreement between the Borough of West Cape May and Fair Share Housing Center ("FSHC") dated March 28, 2018. AGREEMENT TO RESOLVE ISSUES BETWEEN THE BOROUGH OF WEST CAPE MAY AND FAIR SHARE HOUSING CENTER CONCERNING THE BOROUGH'S <u>MOUNT LAUREL</u> FAIR SHARE OBLIGATIONS AND THE MEANS BY WHICH THE BOROUGH SHALL SATISFY SAME.

In the Matter of the Borough of West Cape May, County of Cape May, Docket No. CPM-L-302-15

THIS SETTLEMENT AGREEMENT ("Agreement") made this  $\underline{28}$  day of  $\underline{March}$ . 2018, by and between:

**BOROUGH OF WEST CAPE MAY**, a municipal corporation of the State of New Jersey, County of Cape May, having an address at 732 Broadway, West Cape May, New Jersey 08204 (hereinafter the "Borough" or "West Cape May");

And

FAIR SHARE HOUSING CENTER, having an address at 510 Park Boulevard, Cherry Hill, New Jersey 08002, (hereinafter "FSHC");

WHEREAS, pursuant to in re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), the Borough filed the above-captioned matter on July 2, 2015 seeking, among other things, a judicial declaration that its Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), as may be further amended in accordance with the terms of this settlement, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine; and

WHEREAS, the Borough simultaneously sought and ultimately secured an Order protecting West Cape May from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, the immunity secured by West Cape May remains in place as of the date of this Agreement; and

WHEREAS, the Trial Court appointed the Honorable Steven P. Perskie, J.S.C., as the "Special Master" in this case as is customary in <u>Mount Laurel</u> matters; and

WHEREAS, with Mr. Perskie's assistance, West Cape May and FSHC have engaged in good faith negotiations and have reached an amicable accord on the various substantive provisions, terms and conditions delineated herein; and

WHEREAS, through that process, the Borough and FSHC agreed to settle the litigation and to present that settlement to the Trial Court, recognizing that the settlement of <u>Mount Laurel</u> litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households; and

WHEREAS, at this time and at this particular point in the process resulting from the <u>Mount Laurel IV</u> decision, when fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's present and prospective need, instead of doing so through plenary adjudication of the present and prospective need.

**NOW, THEREFORE**, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereto, each binding itself, do hereby covenant and agree, each with the other, as follows:

#### Settlement Terms

The Borough and FSHC hereby agree to the following general terms, subject to any relevant conditions set forth in more detail below:

1. West Cape May's "Rehabilitation Obligation" is 2.

2. West Cape May's "Prior Round (1987-1999) Obligation" is 7.

3. West Cape May's "Gap (1999-2015) + Prospective Need (2015-2025) Obligation" is 50.

4. FSHC and the Borough agree that West Cape May does not accept the basis of the methodology or calculations proffered by FSHC's consultant, David N. Kinsey, PhD, P.P., F.A.I.C.P. The Parties agree to the terms in this agreement solely for purposes of settlement of this action. Although the Borough does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends, and is free to take the position before the Court, that the 50-unit obligation should be accepted by the Court because it is based on the Prior Round methodology and reflects a forty-five percent (45%) reduction of Dr. Kinsey's April 2017 calculation of the Borough's Gap (1999-2015) + Prospective Need (2015-2025) fair share obligations.

5. Pursuant to <u>N.J.A.C.</u> 5:93-4.2, the Borough's planner calculated West Cape May's Gap + Prospective Need (1999-2025) Realistic Development Potential (hereinafter "RDP") to be ten (10). This leaves a remaining Gap + Prospective Need (1999-2025) "unmet need" of 40.

6. <u>Satisfaction of Rehabilitation Obligation</u>: The Borough has a 2-unit rehabilitation obligation, which it has fully satisfied as follows:

- a. The Borough had two (2) rehabilitation credits approved via its April 3, 2012, Amendment to its initial Third Round Judgment of Compliance and Repose Order.
- b. The Borough hired Triad Associates to implement a rehabilitation program utilizing state funds, and Triad recently rehabilitated an additional eleven (11) units in the Borough.
- c. Accordingly, the Borough has fully satisfied its current Rehabilitation Obligation of two (2), and has eleven (11) additional credits that can be carried to Round 4, should such credits be allowed to be counted under applicable law in the future.

7. <u>Satisfaction of the Borough's Prior Round obligation (1987-1999)</u>: The Borough has fully addressed its seven-unit Prior Round Obligation as follows:

- a. <u>Credits Without Controls</u>: One (1) Credit Without Controls credit.
- b. <u>Cape May House</u>: Four (4) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- c. <u>Rental Bonus Credits</u>: Two (2) rental bonus credits.

8. <u>Satisfaction of the Borough's RDP</u>: The Borough has a Gap + Prospective Need (1999-2025) RDP of 10, which it will satisfy as follows:

- a. <u>Constructed And Occupied Accessory Apartment Units</u>: Two (2) credits from two constructed and occupied accessory apartments.
- b. <u>Future Accessory Apartment Units</u>: The Borough will restart its Accessory Apartment program to create at least two (2) additional units. The Borough will be allowed to modify its Accessory Apartment Ordinance to (1) require the standard 10-year deed restriction as per <u>N.J.A.C.</u> 5:93-5.9(e), rather than the 15-year deed restriction that is required in the Borough's current Accessory Apartment Ordinance, (2) allow for units to be produced in no particular order as to whether the unit is very low, low or moderate, (3) not require any particular bedroom mix as per <u>N.J.A.C.</u> 5:93-5.9(b) and (4) no longer require minimum unit sizes. However, the Borough's Accessory Apartment Program will continue to offer larger subsidies than the minimum \$10,000 per unit allowed for under <u>N.J.A.C.</u> 5:93-5.9(a)(2) as follows: \$70,000 for a very low income unit, \$40,000 for a low income unit and \$25,000 for a moderate income unit.
- c. <u>Cape May House</u>: Three (3) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- d. Rental Bonus Credits: Three (3) rental bonus credits.

9. <u>Satisfaction of "unmet need"</u>: For the purposes of settlement, the Borough agrees to address its Gap + Prospective Need (1999-2025) "unmet need" of 40 through the following mechanisms:

a. <u>Modification of the Borough's C-1, C-2 and C3 Zones</u>: The Borough will continue to allow for residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District. Sections 27-15.6, 27-16.2 and 27-17.2 of the Borough Code currently require a 50% affordable housing set-aside for buildings 40 feet high, or buildings that are three stories tall, in all three districts. The Borough will modify the C-1, C-2 and C-3 zones to (1) require lower affordable housing set asides of 20% for for-sale units and 15% for rental units in all projects that produce five or more residential

units regardless of the height of the buildings involved; (2) not allow buildings taller than 35 feet, while retaining the three story limit, (3) require that all residential affordable housing projects provide 13% very-low-income units, 37% low-income units and 50% moderate-income units; and (4) require that all affordable units comply with UHAC bedroom distribution requirements.

- b. <u>Accessory Apartment Program</u>: After the initial two accessory apartment units are constructed and occupied and the Borough's RDP is fully addressed as described above, any additional accessory apartment units created under the Borough's accessory apartment program will be applied to the Borough's "unmet need."
- c. <u>Mandatory Set-Aside Ordinance ("MSO"</u>): The Borough will adopt a Borough-wide Mandatory Set-Aside Ordinance ("MSO"), which will require that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more dwelling units to produce affordable housing at a set-aside rate of 15% for rental projects and 20% for for-sale projects. The adoption of the MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May to grant such rezoning, variance, redevelopment designation or other relief. The MSO will not apply to the C-1, C-2 and C-3 Zones.

10. The Borough's RDP shall not be revisited by FSHC or any other interested party absent a substantial changed circumstance and, if such a change in circumstance occurs with the RDP, the Borough shall have the right to address the issue without negatively affecting its continuing entitlement to immunity from all <u>Mount Laurel</u> lawsuits through July 2, 2025.

11. The Borough agrees to require thirteen percent (13%) of all the affordable units referenced in this plan, with the exception of units constructed prior to July 1, 2008, and units subject to preliminary or final site plan approval prior to July 1, 2008, to be very low income units (defined as units affordable to households earning thirty percent (30%) or less of the regional median income by household size), with half of the very low income units being available to families.

12. West Cape May will apply "rental bonus credits" in accordance with <u>N.J.A.C.</u> 5:93-5.15(d).

13. At least fifty percent (50%) of the units addressing the Borough's RDP shall be affordable to a combination of very-low-income and low-income households, while the remaining affordable units shall be affordable to moderate-income households.

14. At least twenty-five percent (25%) of the Borough's RDP shall be met through rental units, including at least half in rental units available to families.

15. The Borough agrees to comply with COAH's Round 2 age-restricted cap of twenty-five percent (25%), and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Borough claim credit toward its fair share obligation for age-restricted units that exceed twenty-five percent (25%) of all units developed or

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planned to meet its Prior Round obligation and twenty-five percent (25%) of all units developed or planned to meeting its combined Gap + Prospective Need obligation.

16. The Borough and/or its administrative agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to <u>N.J.A.C.</u> 5:80-26.15(f)(5): Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002), the New Jersey State Conference of the NAACP, the Latino Action Network (P.O. Box 943, Freehold, NJ 07728), the Mainland/Pleasantville, Mizpah, Atlantic City, and Cape May County Branches of the NAACP, and the Supportive Housing Association. As part of its regional affirmative marketing strategies during implementation of its Fair Share Plan, the Borough and/or its administrative agent shall also provide notice of all available affordable housing units to the above-referenced organizations.

17. All affordable housing units created pursuant to the measures set forth in this Agreement shall comply with the Uniform Housing Affordability Controls ("UHAC"), <u>N.J.A.C.</u> 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of ten percent (10%) of affordable units in rental projects being required to be affordable to households earning at or below thirty-five percent (35%) of the regional median household income by household size, thirteen percent (13%) of affordable units in such projects shall be required to be affordable to households earning at or below thirty percent (30%) of the regional median household income by household size subject to Paragraph 11 herein, and all other applicable law. All new construction units shall be adaptable in conformance with P.L.2005, c.350/<u>N.J.S.A.</u> 52:27D-311a and -311b and all other applicable law. The Borough, as part of the Housing Element and Fair Share Plan that will be prepared, adopted and endorsed as a result of this Agreement, shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.

Upon full execution of this Agreement, West Cape May shall notify the Court so 18. that a Fairness Hearing can be scheduled to approve the Agreement. West Cape May will place this Agreement on file in the Borough's municipal building and file a copy with the Court 30 days prior to the Fairness Hearing, at which the Borough will seek judicial approval the terms of this Agreement pursuant to the legal standard set forth in Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. City of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Notice of the Fairness Hearing shall be published at least 30 days in advance of the Hearing. Within 120 days of the approval of this Agreement by the Court after a Fairness Hearing, West Cape May will adopt a Housing Element and Fair Share Plan, along with a Spending Plan, and adopt all ordinances required to be adopted as part of this Agreement, and will submit same to the Court and the Court Master for review. The Borough will then apply to the Court for the scheduling of a "Compliance Hearing" seeking judicial approval of West Cape May's adopted Housing Element and Fair Share Plan and other required documents. West Cape May shall make its consulting planner and any other relevant witnesses available for testimony at the Hearings. FSHC shall not challenge the validity of any of the documents attached hereto, or the validity of the Borough's Fair Share Plan. If the Fairness and Compliance Hearings result in approval of this Agreement and the Borough's Fair Share Plan, the parties agree that the Borough will be entitled to either a "Judgment of Compliance and Repose" ("JOR") or the "judicial equivalent of substantive certification and accompanying protection as provided under the FHA," 221 N.J. at 6, which shall be determined by the trial judge. Each party may advocate regarding whether substantive certification or repose should be provided by the Court, with each party agreeing to accept either form of relief and to not appeal an order granting either repose or substantive certification. Among other things, the entry of such an Order shall maintain West Cape May's immunity from all <u>Mount Laurel</u> lawsuits through July 2, 2025.

19. Subsequent to the signing of this Agreement, if a binding legal determination by the Judiciary, the Legislature, or any administrative subdivision of the Executive Branch determines that West Cape May's Gap (1999-2015) + Prospective Need (2015-2025) obligation is decreased to 40 or less, with any relevant appeal periods having passed, the Borough may file a proposed form of Order, on notice to FSHC and the Borough's Service List, seeking to reduce its Gap (1999-2015) + Prospective Need (2015-2025) obligation accordingly. Such relief shall be presumptively granted. Notwithstanding any such reduction, the Borough shall be obligated to implement the Fair Share Plan prepared, adopted and endorsed as a result of this Agreement, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement, maintaining all mechanisms to continue to address the Borough's "unmet need", and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Borough's obligation below what is established in this Agreement does not provide a basis for seeking leave to amend this Agreement or the Fair Share Plan adopted pursuant to this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Borough prevails in reducing its Gap + Prospective Need for Round 3, the Borough may carry over any resulting surplus credits to Round 4.

20. The Borough shall prepare a Spending Plan for approval by the Court during, or prior to, the duly-noticed Compliance Hearing. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Borough and FSHC agree that the expenditures of funds contemplated in the Borough's Spending Plan shall constitute the "commitment" for expenditure required pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of In re Tp. Of Monroe, 442 N.J.Super. 565 (Law Div. 2015) (aff'd 442 N.J.Super. 563). Upon approval of its Spending Plan, the Borough shall also provide an annual Mount Laurel Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services.

21. On the first anniversary of the approval of this Agreement after a Fairness Hearing, and every anniversary thereafter through the end of this Agreement, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Borough may also post such activity on the CTM system and/or file a copy of its report with the Council on Affordable Housing or its successor agency at the State level.

22. The Fair Housing Act includes two provisions regarding actions to be taken by the Borough during the ten-year period of protection provided in this agreement. The Borough agrees to comply with those provisions as follows:

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- a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to <u>N.J.S.A.</u> 52:27D-313, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be revised or supplemented. Any interested party may by motion request a hearing before the Court regarding these issues.
- b. For the review of very low income housing requirements required by <u>N.J.S.A.</u> 52:27D-329.1, within 30 days of the third anniversary of the approval of the Borough's Housing Element and Fair Share Plan at a Compliance Hearing, and every third year thereafter, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.
- c. In addition to the foregoing postings, the Borough may also elect to file copies of its reports with the Council on Affordable Housing or its successor agency at the State level.

23. This Agreement may be enforced by the Borough or FSHC through a motion to enforce litigant's rights or a separate action filed in Superior Court, Cape May/Atlantic County. If FSHC determines that such action is necessary, the Borough consents to the entry of an order providing FSHC party status as an intervenor solely for purposes of its motion to enforce litigant's rights.

24. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement. However, if an appeal of the Court's approval or rejection of the Settlement Agreement is filed by a third party, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division, and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved by the Trial Court unless and until an appeal of the Trial Court's approval is successful, at which point the Parties reserve their right to return to the *status quo ante*. In this regard, the Borough and FSHC acknowledge that the Parties have entered into this Agreement to settle the litigation and that each is free to take such position as it deems appropriate should the matter return to the *status quo ante*.

25. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

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26. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

27. This Agreement may not be modified, amended or altered in any way except by a writing signed by both the Borough and FSHC.

28. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.

29. The Borough and FSHC acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each person to sign this Agreement is the proper person and possesses the authority to sign the Agreement, that this Agreement contains the entire understanding of the Borough and FSHC and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

30. The Borough and FSHC acknowledge that this Agreement was not drafted by the Borough and FSHC, but was drafted, negotiated and reviewed by representatives of the Borough and FSHC and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. The Borough and FSHC expressly represent that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the persons executing it.

31. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both the Borough and FSHC.

32. This Agreement constitutes the entire Agreement between the Borough and FSHC hereto and supersedes all prior oral and written agreements between the Borough and FSHC with respect to the subject matter hereof except as otherwise provided herein.

33. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which representatives of the Borough and FSHC have executed and delivered this Agreement.

34. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the Borough and FSHC by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

#### TO FSHC:

Adam M. Gordon, Esq. Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002 Phone: (856) 665-5444 Telecopier: (856) 663-8182 Email: adamgordon@fairsharehousing.org

#### TO THE BOROUGH:

Erik C. Nolan, Esq. Jeffrey R. Surenian & Associates, LLC 707 Union Avenue, Suite 301 Brielle, NJ 08730 Phone: (732) 612-3100 Telecopier: (732) 612-3101 Email: EN@Surenian.com

Frank Corrado, Esq. Barry, Corrado & Grassi, PC 2700 Pacific Avenue Wildwood, NJ 08260 Phone: (609) 729-1333 Email: FCorrado@capelegal.com

#### WITH A COPY TO THE BOROUGH CLERK:

Suzanne Schumann, Clerk Borough of West Cape May 732 Broadway West Cape May, NJ 08204 Phone: (609) 884-1005 x100 Telecopier: (609) 898-0888 Email: sschumann@westcapeman.us

# WITH A COPY TO THE SPECIAL MASTER:

Hon. Steven P. Perskie, J.S.C. (retired) Perskie, Mairone, Brog & Baylinson 1201 New Road, Suite 204 Linwood, NJ 08221 Phone: (609) 601-1775 Telecopier: (609) 601-8440 Email: spperskie@pmbb.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Witness/Attest:

Dated:

FAIR SHARE HOUSING CENTER:

Bv:

Adam M. Gordon, Esq. On Behalf of Fair Share Housing Center

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Witness/Attest:

BOROUGH OF WEST CAPE MAY:

rchumann

By: Carol Sab

Carol E. Sabo, Mayor On Behalf of the Borough of West Cape May

Dated:	March	<u> 38</u>	_, 2018
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# Appendix C

June 15, 2018 Order entered by the Honorable Nelson C. Johnson, J.S.C. approving the FSHC Settlement Agreement.

JEFFREY R. SURENIAN AND ASSOCIATES, LLC Brielle Galleria 707 Union Avenue, Suite 301 Brielle, NJ 08730 (732) 612-3100 Attorneys for Declaratory Plaintiff, Borough of West Cape May By: Jeffrey R. Surenian (Attorney ID: 024231983) Erik C. Nolan (Attorney ID: 014032006)

	SUPERIOR COURT OF NEW JERSEY LAW DIVISION CAPE MAY COUNTY
IN THE MATTER OF THE APPLICATION OF THE BOROUGH OF	DOCKET NO.: CPM-L-302-15
WEST CAPE MAY, COUNTY OF CAPE MAY	CIVIL ACTION MOUNT LAUREL
	ORDER OF FAIRNESS AND PRELIMINARY COMPLIANCE

THIS MATTER having been opened to the Court by Jeffrey R. Surenian and Associates, LLC, on behalf of declaratory plaintiff, Borough of West Cape May (hereinafter "the Borough" or "West Cape May") via a Declaratory Judgment Complaint filed on July 2, 2015 to approve the Borough's Housing Element and Fair Share Plan (hereinafter "Fair Share Plan") in response to In <u>Re Adoption of N.J.A.C. 5:96</u>, 221 <u>N.J.</u> 1 (2015) ("Mount Laurel IV"); and the Borough having received an initial Round 3 Judgment of Compliance and Repose via an order entered by the Court on January 13, 2010, which was amended via a second order entered by the Court on April 3, 2012 (hereinafter "initial Round 3 JOR"); and the Court having granted the Borough immunity from <u>Mount Laurel</u> lawsuits from the time of the filing of the Borough's Declaratory Judgment action (hereinafter "DJ Action"), which is still in full force and effect; and the Court having appointed the Honorable Steven P. Perskie, J.S.C. as the Special <u>Mount Laurel</u> Court Master (hereinafter the "Court Master"); and FSHC having participated in the Borough's DJ Action as an "interested party"; and FSHC's expert, David Kinsey, PhD, P.P., F.A.I.C.P., having issued an expert report that calculated fair share obligations for all of the municipalities in the state; and

the Borough having hired Econsult Solutions, Inc., which produced its own expert report calculating fair share obligations for all municipalities in the state; and the Borough's professionals and Adam Gordon, Esq., of FSHC having entered into mediation supervised by the Court Master to try to agree on the magnitude of the Borough's fair share obligations, and how the Borough would comply with same; and the Borough's professionals and FSHC having agreed upon a form of Settlement Agreement (attached hereto as Exhibit P-1 and referred to hereinafter as the "FSHC Settlement Agreement"), which was executed by Adam Gordon, Esq., on behalf of FSHC; and the Borough Council having adopted a resolution on March 28, 2018 (attached hereto as Exhibit P-2) authorizing the Mayor of West Cape May Borough to execute the FSHC Settlement Agreement, which she subsequently did; and that at this point in the process resulting from the Mount Laurel IV decision, when fair share obligations have yet to be definitively determined, it is appropriate for FSHC and the Borough to enter into a settlement regarding the Borough's Rehabilitation, Prior Round, Gap and Prospective Need obligations, instead of doing so through plenary adjudication of same; and the Court having set a date of May 23, 2018 for a Fairness Hearing to entertain approval of the settlement between FSHC and the Borough, and to determine whether said settlement is fair, reasonable and adequately protects the interest of very low, low and moderate income households; and the Borough having provided proper public and actual notice of the Fairness Hearing; and counsel for the Borough having prepared a Notice Certification, attached hereto as Exhibit P-3, to document that proper notice of the Fairness Hearing had been given; and the Fairness Hearing having been held on May 23, 2018, during which Borough Exhibits P-1 to P-3, which are attached hereto, were marked into evidence; and the Court having considered the testimony taken during the Fairness Hearing, as well as the comments of counsel; and the Court Master having recommended approval of the FSHC Settlement Agreement to the Court on the record during the Fairness Hearing, having found it to be in full compliance; and the Court having also reviewed all of the documents submitted into evidence during the Fairness Hearing; and the Court being satisfied that the parties are entitled to the relief sought; and good cause having been shown;

It is hereby ordered on this 157h day of 3une, 2018, as follows:

1. The Court finds and determines pursuant to the judicial standards prescribed by the Appellate Division in <u>East/West Venture v. Bor. Of Fort Lee</u>, 286 <u>N.J. Super</u>. 311 (App. Div. 1996), and through analysis of the FSHC Settlement Agreement, and on the basis of the testimony taken during a Fairness Hearing conducted on May 23, 2018; that the settlement between FSHC and the Borough is fair, reasonable and adequately protects the interest of very low, low and moderate income households, and the Court hereby approves the FSHC Settlement Agreement, which is attached hereto as <u>Exhibit P-1</u>.

2. The Court finds that the Borough's proposed affordable housing strategy as set forth within the FSHC Settlement Agreement is facially constitutionally compliant and provides a fair and reasonable opportunity for the Borough to meet its obligation under <u>Mount Laurel IV</u>, subject to the Borough's compliance with the conditions set forth hereinafter.

As a result of the Settlement between the Borough and FSHC, the Borough's Rehabilitation Obligation is two (2), the Borough's Prior Round Obligation (1987-1999) is seven
 (7) and the Borough's Gap + Prospective Need Obligation (1999-2025) is fifty (50).

4. The Borough has prepared a vacant land analysis, and, as a result of that analysis, the Borough, FSHC and the Court Master have agreed that the Borough is entitled to a Vacant Land Adjustment ("VLA"), such that it has a Gap (1999-2015) + Prospective Need (2015-2025) Realistic Development Potential ("RDP") of ten (10), and a remaining "unmet need" of forty (40).

5. The Borough has fully satisfied its Rehabilitation Obligation as follows:

a. The Borough had two (2) rehabilitation credits approved via its initial Round
 3 JOR.

- b. The Borough hired Triad Associates to implement a rehabilitation program utilizing state funds, and Triad recently rehabilitated an additional eleven (11) units in the Borough.
- c. Accordingly, the Borough has fully satisfied its current Rehabilitation Obligation of two (2), and has eleven (11) additional credits that can be carried to Round 4, should such credits be allowed to be counted under applicable law in the future.
- 6. The Borough has fully satisfied its Prior Round Obligation (1987-1999) of seven

(7) as follows:

- a. One (1) Credit Without Controls credit.
- b. Four (4) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- c. Two (2) rental bonus credits.
- 7. The Borough will satisfy its Gap + Prospective Need (1999-2025) RDP of ten

(10) as follows:

- a. Two (2) credits from two constructed and occupied Accessory Apartments.
- b. Two (2) additional to be constructed Accessory Apartment units.
- c. Three (3) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- d. Three (3) rental bonus credits.
- 8. The Borough will address its combined remaining Gap + Prospective Need (1999-

2025) "unmet need" of forty (40) as follows:

a. The Borough will continue to allow for residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District. Sections 27-15.6, 27-16.2 and 27-17.2 of the Borough Code currently require a 50% affordable housing set-aside for buildings 40 feet high, or buildings that are three stories tall, in all three districts. The Borough will modify the C-1, C-2 and C-3 zones to (1) require lower affordable housing set asides of 20% for for-sale units and 15% for rental units in all projects that produce five or more residential units regardless of the height of the buildings involved; (2) not allow buildings taller than 35 feet, while retaining the three story limit, (3) require that all residential affordable housing projects provide 13% very-low-income units, 37% low-income units

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and 50% moderate-income units; and (4) require that all affordable units comply with UHAC bedroom distribution requirements.

- a. After the initial two accessory apartment units are constructed and occupied and the Borough's RDP is fully addressed as described in Paragraph 7.b. herein, any additional accessory apartment units created under the Borough's accessory apartment program will be applied to the Borough's unmet need.
- b. The Borough will adopt a Borough-wide Mandatory Set-Aside Ordinance ("MSO"), which will require that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more dwelling units to produce affordable housing at a set-aside rate of 15% for rental projects and 20% for for-sale projects. The adoption of the MSO will not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May to grant such rezoning, variance, redevelopment designation or other relief. The MSO will not apply to the C-1, C-2 and C-3 Zones.
- 9. All other terms and conditions in the FSHC Settlement Agreement (Exhibit P-1)

shall be adhered to, and all such terms and conditions are hereby incorporated by reference.

10. A Compliance Hearing will be held on August 28, 2018 at 1:30 p.m. at which the Court will entertain approval of the Borough's Housing Element and Fair Share Plan, which the Borough Planning Board will adopt and the Borough's Board of Commissioners will endorse. The Borough will also prepare all of the supporting resolutions and ordinances required by the FSHC Settlement Agreement (Exhibit P-1).

11. The temporary immunity from <u>Mount Laurel</u> lawsuits that is currently in place for the Borough and its Planning Board will remain in place until one month after the date the final Compliance Hearing is held.

12. Counsel for the Borough shall provide copies of this Order to the Borough's Service List within seven (7) days of receipt.

NELSON C. JOHNSON, J.S.C.

E X H I B I T

AGREEMENT TO RESOLVE ISSUES BETWEEN THE BOROUGH OF WEST CAPE MAY AND FAIR SHARE HOUSING CENTER CONCERNING THE BOROUGH'S <u>MOUNT LAUREL</u> FAIR SHARE OBLIGATIONS AND THE MEANS BY WHICH THE BOROUGH SHALL SATISFY SAME.

In the Matter of the Borough of West Cape May, County of Cape May, Docket No. CPM-L-302-15

THIS SETTLEMENT AGREEMENT ("Agreement") made this <u>28</u> day of <u>March</u>. 2018, by and between:

BOROUGH OF WEST CAPE MAY, a municipal corporation of the State of New Jersey, County of Cape May, having an address at 732 Broadway, West Cape May, New Jersey 08204 (hereinafter the "Borough" or "West Cape May");

And

FAIR SHARE HOUSING CENTER, having an address at 510 Park Boulevard, Cherry Hill, New Jersey 08002, (hereinafter "FSHC");

WHEREAS, pursuant to in re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), the Borough filed the above-captioned matter on July 2, 2015 seeking, among other things, a judicial declaration that its Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), as may be further amended in accordance with the terms of this settlement, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine; and

WHEREAS, the Borough simultaneously sought and ultimately secured an Order protecting West Cape May from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, the immunity secured by West Cape May remains in place as of the date of this Agreement; and

WHEREAS, the Trial Court appointed the Honorable Steven P. Perskie, J.S.C., as the "Special Master" in this case as is customary in <u>Mount Laurel</u> matters; and

WHEREAS, with Mr. Perskle's assistance, West Cape May and FSHC have engaged in good faith negotiations and have reached an amicable accord on the various substantive provisions, terms and conditions delineated herein; and

WHEREAS, through that process, the Borough and FSHC agreed to settle the litigation and to present that settlement to the Trial Court, recognizing that the settlement of <u>Mount Laurei</u> litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households; and

WHEREAS, at this time and at this particular point in the process resulting from the <u>Mount Laurel IV</u> decision, when fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's present and prospective need, instead of doing so through plenary adjudication of the present and prospective need.

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereto, each binding itself, do hereby covenant and agree, each with the other, as follows:

### Settlement Terms

The Borough and FSHC hereby agree to the following general terms, subject to any relevant conditions set forth in more detail below:

1. West Cape May's "Rehabilitation Obligation" is 2.

2... West Cape May's "Prior Round (1987-1999) Obligation" is 7.

3. West Cape May's "Gap (1999-2015) + Prospective Need (2015-2025) Obligation" is 50.

4. FSHC and the Borough agree that West Cape May does not accept the basis of the methodology or calculations proffered by FSHC's consultant, David N. Kinsey, PhD, P.P., F.A.I.C.P. The Parties agree to the terms in this agreement solely for purposes of settlement of this action. Although the Borough does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends, and is free to take the position before the Court, that the 50-unit obligation should be accepted by the Court because it is based on the Prior Round methodology and reflects a forty-five percent (45%) reduction of Dr. Kinsey's April 2017 calculation of the Borough's Gap (1999-2015) + Prospective Need (2015-2025) fair share obligations.

5. Pursuant to <u>N.J.A.C.</u> 5:93-4.2, the Borough's planner calculated West Cape May's Gap + Prospective Need (1999-2025) Realistic Development Potential (hereinafter "RDP") to be ten (10). This leaves a remaining Gap + Prospective Need (1999-2025) "unmet need" of 40.

6. <u>Satisfaction of Rehabilitation Obligation</u>: The Borough has a 2-unit rehabilitation obligation, which it has fully satisfied as follows:

- a. The Borough had two (2) rehabilitation credits approved via its April 3, 2012, Amendment to its initial Third Round Judgment of Compliance and Repose Order.
- b. The Borough hired Triad Associates to Implement a rehabilitation program utilizing state funds, and Triad recently rehabilitated an additional eleven (11) units in the Borough.
- c. Accordingly, the Borough has fully satisfied its current Rehabilitation Obligation of two (2), and has eleven (11) additional credits that can be carried to Round 4, should such credits be allowed to be counted under applicable law in the future.

7. <u>Satisfaction of the Borough's Prior Round obligation (1987-1999)</u>: The Borough has fully addressed its seven-unit Prior Round Obligation as follows:

- a. Credits Without Controls: One (1) Credit Without Controls credit.
- b. <u>Cape May House</u>: Four (4) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- c. <u>Rental Bonus Credits</u>: Two (2) rental bonus credits.

8. <u>Satisfaction of the Borough's RDP</u>: The Borough has a Gap + Prospective Need (1999-2025) RDP of 10, which it will satisfy as follows:

- a. <u>Constructed And Occupied Accessory Apartment Units</u>: Two (2) credits from two constructed and occupied accessory apartments.
- b. <u>Future Accessory Apartment Units</u>: The Borough will restart its Accessory Apartment program to create at least two (2) additional units. The Borough will be allowed to modify its Accessory Apartment Ordinance to (1) require the standard 10-year deed restriction as per <u>N.J.A.C.</u> 5:93-5.9(e), rather than the 15-year deed restriction that is required in the Borough's current Accessory Apartment Ordinance, (2) allow for units to be produced in no particular order as to whether the unit is very low, low or moderate, (3) not require any particular bedroom mix as per <u>N.J.A.C.</u> 5:93-5.9(b) and (4) no longer require minimum unit sizes. However, the Borough's Accessory Apartment Program will continue to offer larger subsidies than the minimum \$10,000 per unit allowed for under <u>N.J.A.C.</u> 5:93-5.9(a)(2) as follows: \$70,000 for a very low income unit, \$40,000 for a low income unit and \$25,000 for a moderate income unit.
- c. <u>Cape May House</u>: Three (3) bedroom credits from the seven-bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- d. <u>Rental Bonus Credits</u>: Three (3) rental bonus credits.

9. <u>Satisfaction of "unmet need"</u>: For the purposes of settlement, the Borough agrees to address its Gap + Prospective Need (1999-2025) "unmet need" of 40 through the following mechanisms:

a. <u>Modification of the Borough's C-1, C-2 and C3 Zones</u>: The Borough will continue to allow for residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District. Sections 27-15.6, 27-16.2 and 27-17.2 of the Borough Code currently require a 50% affordable housing set-aside for buildings 40 feet high, or buildings that are three stories tall, in all three districts. The Borough will modify the C-1, C-2 and C-3 zones to (1) require lower affordable housing set asides of 20% for for-sale units and 15% for rental units in all projects that produce five or more residential

units regardless of the height of the buildings involved; (2) not allow buildings taller than 35 feet, while retaining the three story limit, (3) require that all residential affordable housing projects provide 13% very-low-income units, 37% low-income units and 50% moderate-income units; and (4) require that all affordable units comply with UHAC bedroom distribution requirements.

- b. <u>Accessory Apartment Program</u>: After the initial two accessory apartment units are constructed and occupied and the Borough's RDP is fully addressed as described above, any additional accessory apartment units created under the Borough's accessory apartment program will be applied to the Borough's "unmet need."
- C. <u>Mandatory Set-Aside Ordinance ("MSO")</u>: The Borough will adopt a Borough-wide Mandatory Set-Aside Ordinance ("MSO"), which will require that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more dwelling units to produce affordable housing at a set-aside rate of 15% for rental projects and 20% for for-sale projects. The adoption of the MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May to grant such rezoning, variance, redevelopment designation or other relief. The MSO will not apply to the C-1, C-2 and C-3 Zones.

10. The Borough's RDP shall not be revisited by FSHC or any other interested party absent a substantial changed circumstance and, if such a change in circumstance occurs with the RDP, the Borough shall have the right to address the Issue without negatively affecting its continuing entitlement to immunity from all <u>Mount Laurel</u> lawsuits through July 2, 2025.

11. The Borough agrees to require thirteen percent (13%) of all the affordable units referenced in this plan, with the exception of units constructed prior to July 1, 2008, and units subject to preliminary or final site plan approval prior to July 1, 2008, to be very low income units (defined as units affordable to households earning thirty percent (30%) or less of the regional median income by household size), with half of the very low income units being available to families.

12. West Cape May will apply "rental bonus credits" in accordance with N.J.A.C. 5:93-5.15(d).

13. At least fifty percent (50%) of the units addressing the Borough's RDP shall be affordable to a combination of very-low-income and low-income households, while the remaining affordable units shall be affordable to moderate-income households.

14. At least twenty-five percent (25%) of the Borough's RDP shall be met through rental units, including at least half in rental units available to families.

15. The Borough agrees to comply with COAH's Round 2 age-restricted cap of twenty-five percent (25%), and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Borough claim credit toward its fair share obligation for age-restricted units that exceed twenty-five percent (25%) of all units developed or

planned to meet its Prior Round obligation and twenty-five percent (25%) of all units developed or planned to meeting its combined Gap + Prospective Need obligation.

16. The Borough and/or its administrative agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to <u>N.J.A.C.</u> 5:80-26.15(f)(5): Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002), the New Jersey State Conference of the NAACP, the Latino Action Network (P.O. Box 943, Freehold, NJ 07728), the Mainland/Pleasantville, Mizpah, Atlantic City, and Cape May County Branches of the NAACP, and the Supportive Housing Association. As part of its regional affirmative marketing strategies during implementation of its Fair Share Plan, the Borough and/or its administrative agent shall also provide notice of all available affordable housing units to the above-referenced organizations,

17. All affordable housing units created pursuant to the measures set forth in this Agreement shall comply with the Uniform Housing Affordability Controls ("UHAC"), <u>N.J.A.C.</u> 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of ten percent (10%) of affordable units in rental projects being required to be affordable to households earning at or below thirty-five percent (35%) of the regional median household income by household size, thirteen percent (13%) of affordable units in such projects shall be required to be affordable to households earning at or below thirty percent (30%) of the regional median household income by household size, thirteen percent (13%) of affordable units in such projects shall be required to be affordable to households earning at or below thirty percent (30%) of the regional median household income by household size subject to Paragraph 11 herein, and all other applicable law. All new construction units shall be adaptable in conformance with P.L.2005, c.350/<u>N.J.S.A.</u> 52:27D-311a and -311b and all other applicable law. The Borough, as part of the Housing Element and Fair Share Plan that will be prepared, adopted and endorsed as a result of this Agreement, shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.

18. Upon full execution of this Agreement, West Cape May shall notify the Court so that a Fairness Hearing can be scheduled to approve the Agreement. West Cape May will place this Agreement on file in the Borough's municipal building and file a copy with the Court 30 days prior to the Fairness Hearing, at which the Borough will seek judicial approval the terms of this Agreement pursuant to the legal standard set forth in Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. City of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Notice of the Fairness Hearing shall be published at least 30 days in advance of the Hearing. Within 120 days of the approval of this Agreement by the Court after a Fairness Hearing, West Cape May will adopt a Housing Element and Fair Share Plan, along with a Spending Plan, and adopt all ordinances required to be adopted as part of this Agreement, and will submit same to the Court and the Court Master for review. The Borough will then apply to the Court for the scheduling of a "Compliance Hearing" seeking judicial approval of West Cape May's adopted Housing Element and Fair Share Plan and other required documents. West Cape May shall make its consulting planner and any other relevant witnesses available for testimony at the Hearings. FSHC shall not challenge the validity of any of the documents attached hereto, or the validity of the Borough's Fair Share Plan. If the Fairness and Compliance Hearings result in approval of this Agreement and the Borough's Fair Share Plan, the parties agree that the Borough will be entitled to either a "Judgment of Compliance and Repose" ("JOR") or the "judicial equivalent of substantive certification and accompanying protection as provided under the FHA," 221 N.J. at 6, which shall be determined by the trial judge. Each party may advocate regarding whether substantive certification or repose should be provided by the Court, with each party agreeing to accept either form of relief and to not

appeal an order granting either repose or substantive certification. Among other things, the entry of such an Order shall maintain West Cape May's immunity from all <u>Mount Laurel</u> lawsuits through July 2, 2025.

Subsequent to the signing of this Agreement, if a binding legal determination by 19. the Judiciary, the Legislature, or any administrative subdivision of the Executive Branch determines that West Cape May's Gap (1999-2015) + Prospective Need (2015-2025) obligation is decreased to 40 or less, with any relevant appeal periods having passed, the Borough may file a proposed form of Order, on notice to FSHC and the Borough's Service List, seeking to reduce its Gap (1999-2015) + Prospective Need (2015-2025) obligation accordingly. Such relief shall be presumptively granted. Notwithstanding any such reduction, the Borough shall be obligated to implement the Fair Share Plan prepared, adopted and endorsed as a result of this Agreement, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement, maintaining all mechanisms to continue to address the Borough's "unmet need", and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Borough's obligation below what is established in this Agreement does not provide a basis for seeking leave to amend this Agreement or the Fair Share Plan adopted pursuant to this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Borough prevails in reducing its Gap + Prospective Need for Round 3, the Borough may carry over any resulting surplus credits to Round 4.

20. The Borough shall prepare a Spending Plan for approval by the Court during, or prior to, the duly-noticed Compliance Hearing. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Borough and FSHC agree that the expenditures of funds contemplated in the Borough's Spending Plan shall constitute the "commitment" for expenditure required pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of <u>In re Tp. Of Monroe</u>, 442 <u>N.J.Super.</u> 565 (Law Div. 2015) (aff'd 442 <u>N.J.Super.</u> 563). Upon approval of its Spending Plan, the Borough shall also provide an annual <u>Mount Laurel</u> Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services.

21. On the first anniversary of the approval of this Agreement after a Fairness Hearing, and every anniversary thereafter through the end of this Agreement, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Borough may also post such activity on the CTM system and/or file a copy of its report with the Council on Affordable Housing or its successor agency at the State level.

22. The Fair Housing Act includes two provisions regarding actions to be taken by the Borough during the ten-year period of protection provided in this agreement. The Borough agrees to comply with those provisions as follows:

- a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to <u>N.J.S.A.</u> 52:27D-313, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be revised or supplemented. Any interested party may by motion request a hearing before the Court regarding these issues.
- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the approval of the Borough's Housing Element and Fair Share Plan at a Compliance Hearing, and every third year thereafter, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.
- c. In addition to the foregoing postings, the Borough may also elect to file copies of its reports with the Council on Affordable Housing or its successor agency at the State level.

23. This Agreement may be enforced by the Borough or FSHC through a motion to enforce litigant's rights or a separate action filed in Superior Court, Cape May/Atlantic County. If FSHC determines that such action is necessary, the Borough consents to the entry of an order providing FSHC party status as an intervenor solely for purposes of its motion to enforce litigant's rights.

24. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement. However, if an appeal of the Court's approval or rejection of the Settlement Agreement is filed by a third party, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division, and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved by the Trial Court unless and until an appeal of the Trial Court's approval is successful, at which point the Parties reserve their right to return to the *status quo ante*. In this regard, the Borough and FSHC acknowledge that the Parties have entered into this Agreement to settle the litigation and that each is free to take such position as it deems appropriate should the matter return to the *status quo ante*.

25. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections. CPM-L-000036-25 06/18/2025 12:02:28 PM Pg 88 of 136 Trans ID: LCV20251792177

26. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

27. This Agreement may not be modified, amended or altered in any way except by a writing signed by both the Borough and FSHC.

28. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.

29. The Borough and FSHC acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each person to sign this Agreement is the proper person and possesses the authority to sign the Agreement, that this Agreement contains the entire understanding of the Borough and FSHC and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

30. The Borough and FSHC acknowledge that this Agreement was not drafted by the Borough and FSHC, but was drafted, negotiated and reviewed by representatives of the Borough and FSHC and, therefore; the presumption of resolving ambiguities against the drafter shall not apply. The Borough and FSHC expressly represent that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the persons executing it.

31. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both the Borough and FSHC.

32. This Agreement constitutes the entire Agreement between the Borough and FSHC hereto and supersedes all prior oral and written agreements between the Borough and FSHC with respect to the subject matter hereof except as otherwise provided herein.

33. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which representatives of the Borough and FSHC have executed and delivered this Agreement.

34. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the Borough and FSHC by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

### TO FSHC:

Adam M. Gordon, Esq. Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002 Phone: (856) 665-5444 Telecopier: (856) 663-8182 Email: adamgordon@fairsharehousing.org

### TO THE BOROUGH:

Erik C. Nolan, Esq. Jeffrey R. Surenian & Associates, LLC 707 Union Avenue, Sulte 301 Brielle, NJ 08730 Phone: (732) 612-3100 Telecopier: (732) 612-3101 Email: EN@Surenian.com

Frank Corrado, Esq. Barry, Corrado & Grassi, PC 2700 Pacific Avenue Wildwood, NJ 08260 Phone: (609) 729-1333 Email: FCorrado@capelegal.com

Suzanne Schumann, Clerk Borough of West Cape May

West Cape May, NJ 08204 Phone: (609) 884-1005 x100 Telecopier: (609) 898-0888

732 Broadway

### WITH A COPY TO THE BOROUGH CLERK:

WITH A COPY TO THE SPECIAL MASTER:

Hon. Steven P. Perskle, J.S.C. (retired) Perskie, Mairone, Brog & Baylinson 1201 New Road, Suite 204 Linwood, NJ 08221 Phone: (609) 601-1775 Telecopler: (609) 601-8440 Email: spperskie@pmbb.com

Email: sschumann@westcapeman.us

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Witness/Attest:

2018

### FAIR SHARE HOUSING CENTER:

Bv:

Adam M. Gordon, Esq. On Behalf of Fair Share Housing Center

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Witness/Attest:

BOROUGH OF WEST CAPE MAY:

SMSchumann

By:

Carol E. Sabo, Mayor On Behalf of the Borough of West Cape May

Dated: March 28, 2018

E Х H B I Τ 2

### BOROUGH OF WEST CAPE MAY COUNTY OF CAPE MAY STATE OF NEW JERSEY

### RESOLUTION #83-18

### AUTHORIZING THE EXECUTION OF A SETTLEMENT AGREEMENT WITH FAIR SHARE HOUSING CENTER

WHEREAS, pursuant to <u>In re N.J.A.C. 5:96 and 5:97</u>, 221 <u>N.J.</u> 1 (2015) (<u>Mount Laurel IV</u>), on July 2, 2015, the Borough of West Cape May (hereinafter "West Cape May Borough" or the "Borough") filed a Declaratory Judgment Complaint in Superior Court, Law Division seeking, among other things, a judicial declaration that its Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), to be amended as necessary, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the "<u>Mount Laurel</u> doctrine;" and

WHEREAS, the Borough simultaneously sought, and ultimately secured, a protective order providing West Cape May Borough immunity from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, the trial judge appointed the Honorable Steven P. Perskie, J.S.C. as the Special Court Master (hereinafter the "Court Master"), as is customary in <u>Mount Laurel</u> matters adjudicated in the courts; and

WHEREAS, with assistance from the Court Master, West Cape May Borough professionals and Fair Share Housing Center (hereinafter "FSHC") engaged in good faith negotiations, which resulted in an amicable accord on the various substantive terms and conditions as set forth in the Settlement Agreement attached hereto as Exhibit A; and

WHEREAS, through this process, the Borough and FSHC agreed upon the Borough's affordable housing obligations and the compliance techniques necessary for West Cape May Borough to satisfy its "fair share" of the regional need for low- and moderate-income housing; and

WHEREAS, the Borough and FSHC also agreed to present the Settlement Agreement to the Trial Judge for approval at a duly-noticed <u>Mount Laurel</u> Fairness Hearing; and

WHEREAS, although there is a well-established policy favoring the settlement of all forms of litigation, the settlement of <u>Mount Laurel</u> litigation is particularly favored because (1) it avoids the expenditure of finite public resources; and (2) expedites the construction of safe, decent housing for the region's low- and moderate-income households; and

WHEREAS, in light of the above, the Borough's Board of Commissioners finds that it is in the best interest of West Cape May Borough to execute the attached Settlement Agreement with FSHC, and to take various other actions delineated below, which will ultimately result in approval of the Borough's Fair Share Plan, which, in turn, will maintain the Borough's immunity from all <u>Mount Laurel</u> lawsuits for the period set forth in the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 to 329.

NOW, THEREFORE, BE IT RESOLVED on this 28<sup>th</sup> day of March, 2018, by the Board of Commissioners of the Borough of West Cape May, County of Monmouth, State of New Jersey, as follows:

- 1. The Borough's Board of Commissioners hereby authorizes and directs the Mayor of West Cape May Borough to execute the Settlement Agreement attached hereto as Exhibit A.
- 2. The Borough's Board of Commissioners hereby directs its Affordable Housing Counsel to (a) file the fully-executed Settlement Agreement with the Court for review and approval at a duly-noticed Fairness Hearing, (b) take all actions reasonable and necessary to secure an Order approving the Settlement Agreement, and (c) work towards ultimately securing judicial approval of the Borough's Fair Share Plan, after it is drafted, adopted by the Borough's Planning Board and endorsed by the Borough's Board of Commissioners.

-Sabo, Mayor Carol E

Peter. Rurke

ohn H. Francis, III, Commissioner

iman Suzanne M. Schumann, RMC

Municipal Clerk

Adopted: March 28,2018

cc: Solicitor FSCH COAH Counsel File

	Aye	Nay	Abstain	Absent
Sabo				
Burke	V			
Francis	V	1		

I hereby certify that the foregoing is a true copy of a Resolution duly passed and adopted by a majority of full membership of the Board of Commissioners of the Borough of West Cape May, County of Cape May, New Jersey, at a meeting held on March 28, 2018.

Municipal Clerk

CPM-L-000036-25 06/18/2025 12:02:28 PM Pg 94 of 136 Trans ID: LCV20251792177

JEFFREY R. SURENIAN AND ASSOCIATES, LLC Brielle Galleria 707 Union Avenue, Suite 301 Brielle, New Jersey 08730 (732) 612-3100 Attorneys for Declaratory Plaintiff, Borough of West Cape May By: Jeffrey R. Surenian (Attorney ID: 024231983) Erik C. Nolan (Attorney ID: 014032006)

IN THE MATTER OF THE APPLICATION OF THE BOROUGH OF WEST CAPE MAY, COUNTY OF CAPE MAY SUPERIOR COURT OF NEW JERSEY LAW DIVISION: CAPE MAY COUNTY

DOCKET NO.: CPM-L-302-15

CIVIL ACTION – MOUNT LAUREL

NOTICE CERTIFICATION OF ERIK C. NOLAN, ESQ.

Erik C. Nolan, Esq., of full age, does hereby certify as follows:

1. J am an attorney-at-law of the State of New Jersey and an associate for the law firm Jeffrey R. Surenian and Associates, LLC, attorneys for the Borough of West Cape May (hereinafter the "Borough") in the above-captioned matter.

2. I am thoroughly familiar with the facts set forth herein.

3. To demonstrate that the Borough provided sufficient public notice of the pending Fairness Hearing, the Borough is herein furnishing the Court with a copy of the Affidavits of Publication for the *Press of Atlantic City* and the *Cape May Star and Wave*, the Borough's legal newspapers.

4. Attached hereto as **Exhibit A** is a true copy of the Affidavits of Publication for the public notices of the Fairness Hearing on April 18, 2018 in the *Cape May Star and Wave* and on April 23, 2018 in the *Press of Atlantic City*.

5. The Borough also provided actual notice of the Fairness Hearing in the form of regular and certified mail to (a) the most recent list of the Region 6 affordable housing advocacy groups, (b) the service list associated with <u>In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable</u> Housing, 221 N.J. 1 (2015)("Mount Laurel IV"); (c) the Borough's "COAH Service List;" and (d) a number of additional interested parties.

6. The list of advocacy groups was taken directly from a directory published by the Housing and Community Development Network of New Jersey ("HCDN"), which is a statewide association of more than 250 affordable housing and community development corporations, individuals, and other organizations that support the creation of housing and economic opportunities for low- and moderateincome households in New Jersey.

7. Attached hereto as <u>Exhibit B</u> is a true copy of the letter and notice sent to the groups identified above.

8. Attached hereto as <u>Exhibit C</u> is a true copy of the service list identified above who received actual notice of the Fairness Hearing.

9. Attached hereto as **Exhibit D** is a true copy of the various proofs of certified mailing demonstrating that actual notice was indeed forwarded to the groups listed above.

10. For any certified letters that were returned due to incorrect mailing addresses provided in the HCDN directory, I directed our staff to make their best efforts to locate the correct addresses.

11. Despite providing public and actual notice to literally scores of affordable housing advocates and other interested parties, we received no objections.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Smil C. Ast

Erik C. Nolan, Esq.

Dated: May 15, 2018

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RECEIVED APR 23 2018

## **Proof** of Publication

#### STATE OF NEW JERSEY, } SS COUNTY OF CAPE MAY, )

David Nahan, of full age, being duly swom according to law, on his oath says that he is the

### Publisher of the Cape May Star & Wave

a weekly newspaper published at Ocean City, Cape May County, New Jersey, and that the notice

Borough of West Cape May Public Notice of "Fairness Hearing" Mount Laurel Liligation

of which the annexed is a true copy, was published in said newspaper on the 18th day of April , A.D. 2018, and continued to be published therin for at least successively, the last publication thereof being on the A.D. 2018, and that the particular day of dates of said publication were

4/18/18

eighteonth Sworn and subscribed before me, this A.D. 2018 in day of April Ocean City, New Jersey

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Notary Public auron ( No. Com

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WEST CAPE MAY - LEGAL BOROUGH OF WEST CAPE MAY

732 BROADWAY CAPE MAY, NJ 08204

1000 W. Washington Ave, Pleasantville, NJ 08232

Account Number 8000659

Date

April 23, 2018

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Newspaper reference: 0000075501

Date	Category	Description	Ad Size	Total Cost
04/23/2018	Legal Display Ads	BOROUGH OF WEST CAPE MAY PUBLIC NOTICE OF FAIR	₹ 2 x 115.00 CL	122.60
	Cer	tification		
	Proof	of Publication		
auren Masco	of lawful age, acting	in his/her capacity as an employee of		
The Press of A	tlantic City, a daily n	ewspaper printed and published c/o		
1000 West Wa	shington Avenue, Plea	asantville, New Jersey 08232, and		
distributed in t	the following counties	: Atlantic, Camden, Cape May,		
Cumberland, C	Gloucester, and Ocean	n and mailed to various parts of		
the State of Ne	w Jersey, the United i	States, and foreign countries, does		
hereby certify	that the Notice this Co	ertification was published in The Press		
of Atlantic Cit	y on t			
		04/23/2018		
All interested	parties may rely upor	the representations contained		
herein limited	solely to the authentic	city of the Notice accompanying		
this Certificati	ion to be an accurate t	reproduction of the same and		
the date upon	which it was publishe	d.		
		ts made by me are true. I am		
awaré that if a	any of the foregoing st	atements made by me are willfully		
talsc, I am sub	pject to punishment.			
Date: 4/23/20	18			
Lauren Mas	co-			
Lauren Masco				

# BORDHAN OF WEST CAPE MAY PUBLIC NOTICE OF "FAIRNESS HEARING" TO APPLIOVE SETTLEMENT OF NOUNT LAUREL LITIGATION

MOUNT LAUREL LITIGATION PLEASE TAKE NOTICE that a "fairnoss Hearing" will be held on, May 23, 2016 before the Honorable Helson C. Johnson, J.S.C., Superior Court of New Persey, Law Division, at 1130p.m. 31 the Atlantic County Courthouse located at 120 Bacharach Boulevird, Atlantic City, New Jersey to consider a proposed Sedilement Agreement between Borough of West Coole May and Fair Share Henring Center in the Mount Laurel Declaratory Action envilled in the Matter of the Application of the Borough of West Coole May and Fair Share Henring Center in the Mount Laurel Declaratory Action envilled in the Matter of the Application of the Borough of West Coole May, County of Cape May, Docket Number CPAL-362-15, Through this Indicial proceeding, the Court vill evaluate whether the proposed Settlement Agreement Is Fair int responde to the replors few pind notenate Income Ingenerating percenting to the principles set forth in Morris County Sair Housing Council y (App. Div. 1946) and East/West Venture V. Bor. of Council 22, 206 AL Suppr. 311 (App. Div. 1956).

Fair Share Housing Canter ("FSHC"), a public interest organization ispresenting this housing rights of New persoy's poor and an interested party in the above-relevenced lawshift has sought to enhance to oppruturities for how and moderate income housing within the borught of West Cape May. The Berough of West Cape May and FSHC have resolved yatious substantive issues encouring west Cape May a fordable housing "fair share" and the means by which the Rorough Intends to satisfy those obligations, subject to all required public flearings. The terms of the settlement have been mountalized in a formal Settlement Agreement.

The agreed upon terms of the settlement include, but are not limited to, the following:

1. West Cape May's Republikation Okilgation is two (2). 2. West Cape May's Prior Round Okilgation (1987-1999) is seven (7). 3. West Cape May's Gap + Prospective Need Obligation (1959-2025) is fifty For

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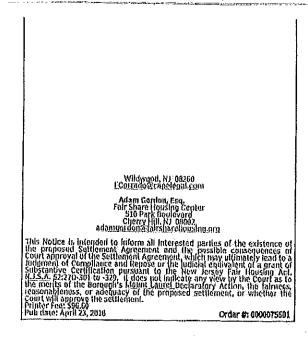
c. the adoption of a manuatory set-aside ordinance. The proposed Settlement Agreement is on file for public inspection and copying during regular business hours at the Office of the Borough Clerk, surgers of west Cape May, 732 Broadway, West Cape May, New Jersey Bord, A., Ni, Intersched party, including any low or moderate throme person residing in the bousing region, any organization representing the interests of low and inoderate lineoine persons, any owner of proporty in the Borough of West Cape May, or any organization representing the interests of owners a property in the Dorough of West Cape May incy file comments on objections, to generate the second second second second second objections, together with copies of any supprinting athabits or other documents, must be filed in writing, on or Sefore May 11, 2018, to the homerable Nelson C, Johnson, 1,5,6, Superfire Count M, Altanie County, and Japanes being forwarde by mail of e-roal to all papers being forwarded by mail of e-roal to all papers being forwarded by mail of e-roal to the state of the second by Brance 15,6 (ref).

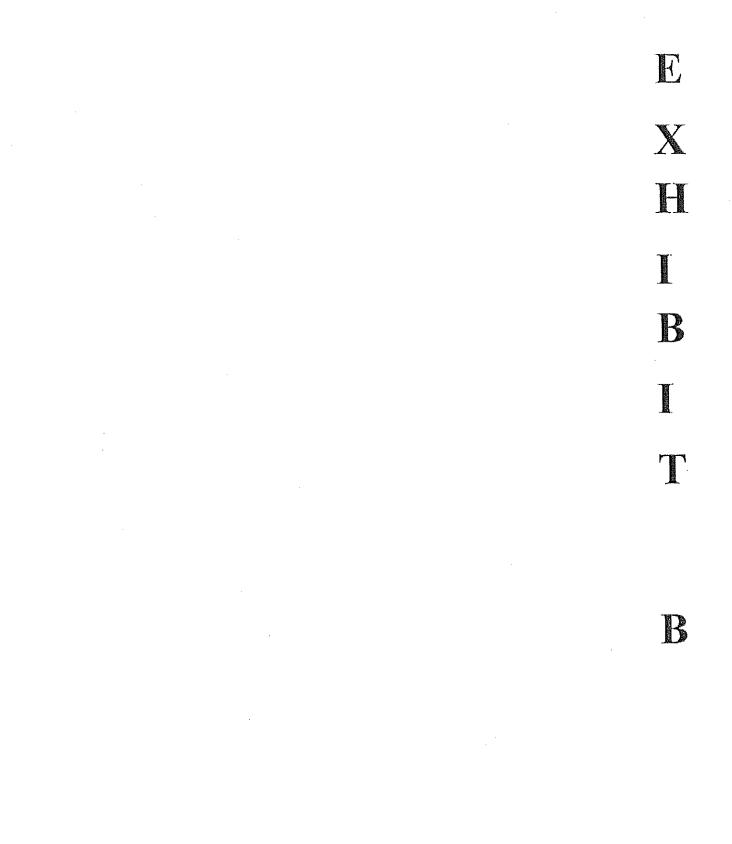
Hon, Steven P., Perskie, J.S.C. (rel) Perskie, Maitone, Dieg & Baylinoon 1201 New Road, Suite 204 Linwood, NJ 68221 sppetskingepinblogom

Suzanne Sehunpan, Clerk Barough of West Cape May 132 Broadway Vest Cape May, NJ 06204 <u>ες humaunawest capenay</u>, из

Erik C. Noian, Esq. Jetirey R. Suraninh and Associates, LLC 707 Union Avenus, Sulle 301 Brielle, N. 19730 ensisteronian.com

Frank Cristario, Esg. Barry, Corrado & Grassi, PC 2769 Pacific Avenue





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### JEFFREY R, SURENIAN AND ASSOCIATES, LLC

)effrey R. Surenlan, Esq. - Member Email - JRS@Smenian.com

Michael A. Jedziniak, Esq. - Counsel Email - MAP:Somman.com A Limited Liability Company Counselors at Law Brielle Galleria 707 Union Avenue, Suite 301 Brielle, New Jersey 08730 Phone: (732) 612-3100 Fax: (732) 612-3101

Erik C. Nolan, Esq. - Associate Email - EN@Surenian.com

Michael J. Edwards, Ekg. - Associate Email - MJ695000000000000

April 17, 2018

### VIA CERTIFIED & REGULAR MAIL

Supreme Court Service List Non-Profits Affordable Housing Agencies COAH Service List

### Re: In the Matter of the Application of the Borough of West Cape May, County of Cape May, Docket No. CPM-L-302-15

### NOTICE OF FAIRNESS HEARING - May 23, 2018

Dear Sir or Madam:

Attached please find a notice that the Borough of West Cape May is publishing in the *Press of Atlantic City* on April 23, 2018 and the *Cape May Star and Wave* on April 18, 2018. The notice is self-explanatory. Copies of the relevant papers are on file and available for inspection at Borough Hall and with the Court. In addition, if you, or your organization, are considering taking action in response to the attached notice, we would be happy, as a courtesy, to deliver these documents to you by way of email. To facilitate this process, please contact Nicole Sestito at 732-612-3100 and furnish us with an active email address with sufficient capabilities to accept large documentary attachments.

Very truly yours,

Erik C. Nolan

Erik C, Nolan

ECN/ns Enclosure

### BOROUGH OF WEST CAPE MAY

# PUBLIC NOTICE OF "FAIRNESS HEARING" TO APPROVE SETTLEMENT OF MOUNT LAUREL LITIGATION

PLEASE TAKE NOTICE that a "Fairness Hearing" will be held on, May 23, 2018 before the Honorable Nelson C. Johnson, J.S.C., Superior Court of New Jersey, Law Division, at 1:30p.m. at the Atlantic County Courthouse located at 1201 Bacharach Boulevard, Atlantic City, New Jersey to consider a proposed Settlement Agreement between Borough of West Cape May and Fair Share Housing Center in the Mount Laurel Declaratory Action entitled In the Matter of the Application of the Borough of West Cape May, County of Cape May, Docket Number CPM-L-302-15. Through this judicial proceeding, the Court will evaluate whether the proposed Settlement Agreement is fair and reasonable to the region's low and moderate income households according to the principles set forth in Morris County Fair Housing Council v. Hoonton Tp., 197 N.J.Super, 359 (Law Div.1984), <u>aff'd o.b.</u>, 209 N.J.Super, 108 (App. Div. 1986) and East/West Venture v. Bor. of Fort Lee, 286 N.J.Super, 311 (App. Div. 1996).

Fair Share Housing Center ("FSHC"), a public interest organization representing the housing rights of New Jersey's poor and an interested party in the above-referenced lawsuit, has sought to enhance to opportunities for low and moderate income housing within the Borough of West Cape May. The Borough of West Cape May and FSHC have resolved various substantive issues concerning West Cape May's affordable housing "fair share" and the means by which the Borough intends to satisfy those obligations, subject to all required public hearings. The terms of the settlement have been memorialized in a formal Settlement Agreement.

The agreed upon terms of the settlement include, but are not limited to, the following:

- 1. West Cape May's Rehabilitation Obligation is two (2).
- 2. West Cape May's Prior Round Obligation (1987-1999) is seven (7).
- 3. West Cape May's Gap + Prospective Need Obligation (1999-2025) is fifty (50).
- 4. The Borough's Realistic Development Potential (or "RDP") is ten (10), which leaves the Borough with an "unmet need" of forty (40).
- 5. The Borough has fully satisfied its Rehabilitation Obligation of two (2) and has eleven (11) additional rehabilitation credits.
- 6. The Borough has fully satisfied its Prior Round obligation of seven (7) as follows:
  - a. One (1) credit without controls.
  - b. Four (4) bedroom credits from the seven (7) bedroom constructed and occupied Cape May House Supportive Shared Living Housing Facility.
  - c. Two (2) rental bonus credits.
- 7. The Borough will address its RDP of ten (10) as follows:
  - a. Two (2) constructed and occupied Accessory Apartment units.
  - b. Two (2) future Accessory Apartment units.
  - c. Three (3) bedroom credits from the seven (7) bedroom constructed and occupied Cape May House Supportive Shared Living Housing Facility.
  - d. Three (3) rental bonus credits.
- 8. The Borough will address its remaining "unmet need" of forty (40) as follows:

- a. Modification of the Borough's C-1, C-2 and C-3 Zones to allow for the construction of affordable housing in these zones.
- b. Additional future Accessory Apartment units.
- c. The adoption of a mandatory set-aside ordinance.

The proposed Settlement Agreement is on file for public inspection and copying during regular business hours at the Office of the Borough Clerk, Borough of West Cape May, 732 Broadway, West Cape May, New Jersey 08204. Any interested party, including any low or moderate income person residing in the housing region, any organization representing the interests of low and moderate income persons, any owner of property in the Borough of West Cape May, or any organization representing the interests of owners of property in the Borough of West Cape May, or any may file comments on, or objections to, the executed Settlement Agreement. Such comments or objections, together with copies of any supporting affidavits or other documents, must be filed in writing, on or before May 11, 2018, to the Honorable Nelson C. Johnson, J.S.C. Superior Court of NJ, Atlantic County, 1201 Bacharach Boulevard, Chambers 3E, Atlantie City, NJ 08401, with copies of all papers being forwarded by mail or e-mail to:

Hon. Steven P. Perskie, J.S.C. (ret) Perskie, Mairone, Brog & Baylinson 1201 New Road, Suite 204 Linwood, NJ 08221 spperskie(appubl.com

Suzanne Schumann, Clerk Borough of West Cape May 732 Broadway West Cape May, NJ 08204 sschumanna/westcapemay.ns

Erik C. Nolan, Esq. Jeffrey R. Surenian and Associates, LLC 707 Union Avenue, Suite 301 Brielle, NJ 08730 en@surenian.com

Frank Corrado, Esq. Barry, Corrado & Grassi, PC 2700 Pacific Avenue Wildwood, NJ 08260 FCorrado@capelcgal.com

Adam Gordon, Esq. Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002 adamgordon@fairsharehousing.org This Notice is intended to inform all interested parties of the existence of the proposed Settlement Agreement and the possible consequences of Court approval of the Settlement Agreement, which may ultimately lead to a Judgment of Compliance and Repose or the judicial equivalent of a grant of Substantive Certification pursuant to the New Jersey Fair Housing Act, <u>N.J.S.A.</u> 52:27D-301 to -329. It does not indicate any view by the Court as to the merits of the Borough's <u>Mount Laurel</u> Declaratory Action, the fairness, reasonableness, or adequacy of the proposed settlement, or whether the Court will approve the settlement.

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### West Cape May Service List

### FAIRNESS HEARING 5-23-18

Edward J. Buzak, Esq. The Buzak Law Group Montville Office Park 150 River Road, Suite N-4 Montville, NJ 07045

Jonathan Drill, Esq. Stickel, Koenig, Sullivan & Drill 571 Pompton Avenue Cedar Grove, NJ 07009

Jeffrey Kantowitz, Esq. Law Office of Abe Rappaport 195 Route 46 W., Suite 6 Totowa, New Jersey 07512

Ronald C. Morgan, Esq. Parker McCay 9000 Midlantic Drive. Ste 300 Mount Laurel, NJ 08054

Connie Pascale, Melville Miller, Jr Legal Services of New Jersey 100 Metroplex Dr., Suite 402 PO Box 1357 Edison, NJ 08818 SUPREME COURT LIST

Thomas F. Carroll, III, Esq. Stephen M. Eisdorfer, Esq. Hill Wallack 21 Roszel Road Princeton, NJ 08540

Heury L. Kent-Smith, Esq. Fox Rothschild Princeton Pike Corporate Center 997 Lenox Dr, Bldg 3, Ste 204 Lawrenceville, NJ 08648

> Kevin J. Moore, Esq. Sills Cummis & Gross 600 College Road East Princeton, NJ 08053

Kevin D. Walsh, Peter J. O'Connor, Adam Gordon Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002

Ronald K. Chen Constitutional Litigation Clinic Center for Law & Justice 123 Washington St. Newark, NJ 07102

#### COAH SERVICE LIST

Frank Corrado, Esq. Barry, Corrado, Grassi & Gibsøn, PC 2700 Pacific Avenue Wildwood, NJ 08260 FCorradot@capelegal.com Hon, Steven P. Perskie, J.S.C. (ref) Special Master Perskie, Mairone, Brog & Baylinson 1201 New Road, Suite 204 Linwood, NJ 08221 Spperskie(Apmbh.com

### **OTHER INTERESTED PARTIES**

David R. Oberlander, Esq. Bisgaier Hoff 25 Chestnut St., Suite 3 Haddonfield, NJ 08033

Tracy A. Sicbold, Esq. Nehmad, Perillo & Davis 4030 Ocean Heights Avenue Egg Harbor Twp, NJ 08234

Christopher Norman, Esq. Norman Kingsbury and Norman 30 Jackson Road, Suite A-2 Medford, NJ 08055

Lawrence S. Lustberg, Esq. Gibbons P.C. One Gateway Center Newark, NJ 07102

Valentina M. DiPippo, DAG Personnel, Comm. Affairs, &Elections 25 Market St., PO Box 112 Trenton, NJ 08625-0112

Suzanne Schumann, RMC/CMR Borough of West Cape May 732 Broadway West Cape May, NJ 08204-1297 <u>astockertowestcapemay.us</u>

### West Cape May Service List

Mike Knab, SR VP Development RPM Development, L.L.C. 77 Park Street Montclair, NJ 07042 <u>mknab@rpmdev.com</u> Ron Ladell Avalon Bay Communities, Inc 517 Route I S., Suite 5500 Iselin, NJ 08830 Ronald Ladell@avalonbay.com

#### REGION 6 HOUSING ADVOCATES

Cumberland County Habitat for Humanity 601 S Delsea Drive Vineland, NJ 08360

New Jersey Southern Regional Disaster Response Sandy Coordinator 3906-08 Pacific Avenue PO Box 957 Wildwood, NJ 08260

Saint Joseph's Carpenter Society 20 Church Street Camden, NJ 08105

> Family Service 770 Woodlane Road Westhampton, NJ 08060

Bethel Development Corp. P.O. Box 784 Millville, NJ 08332-5340

Diocesan Housing Services Corp of the Diocese of Camden 631 Market Street Camden, NJ 08102

> Millville Housing Authority 1153 Holly Berry Lane Millville, NJ 08332

Habitat for Humanity Cape May County 4 Moore Road Cape May Court House, NJ 08260

> Stand Up for Salem, Inc. 205 E Broadway Salem, NJ 08079

> > Community Quest 6814 Tilton Road Egg Harbor, NJ 08234

Pathstone 78 W. Landis Avenue Vineland, NJ 08360

Consumer Credit & Budget Counseling, Inc. 299 Route 9 Marmora, NJ 08223

Habitat for Humanity Cumberland County NJ 610 E. Landis Drive Vineland, NJ 08630

The Affordable Homes Group P.O. Box 249 Mount Holly, NJ 08060 Richard B. Reading Special Regional Master Richard Reading & Associates 759 State Road Princeton, NJ 08540 <u>rbrpmiteant com</u>

Habitat for Humanity Salem County 416 S Pennsville Auburn Road Carneys Point, NJ 08069

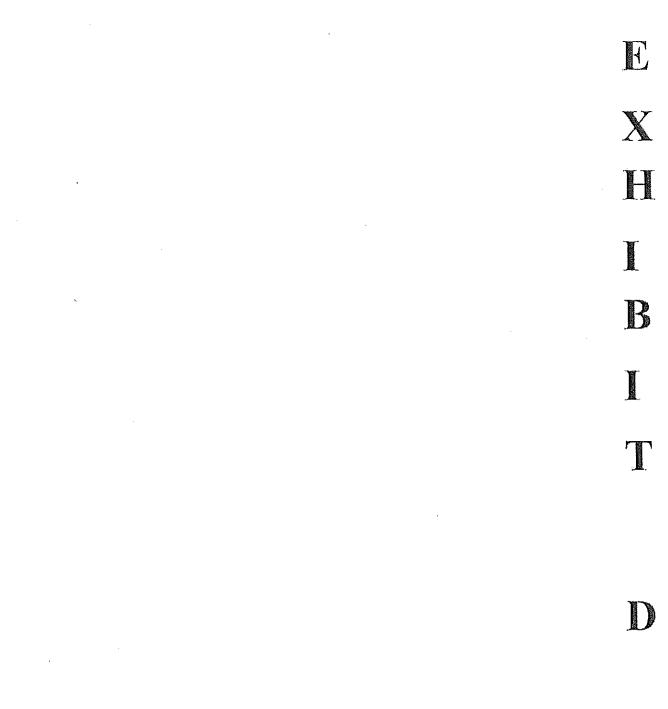
Center for Family Services 250 Delsea Drive Glassboro, NJ 08028

Tri-County Community Action Partnership Inc. 110 Cohansey Street Bridgeton, NJ 08302

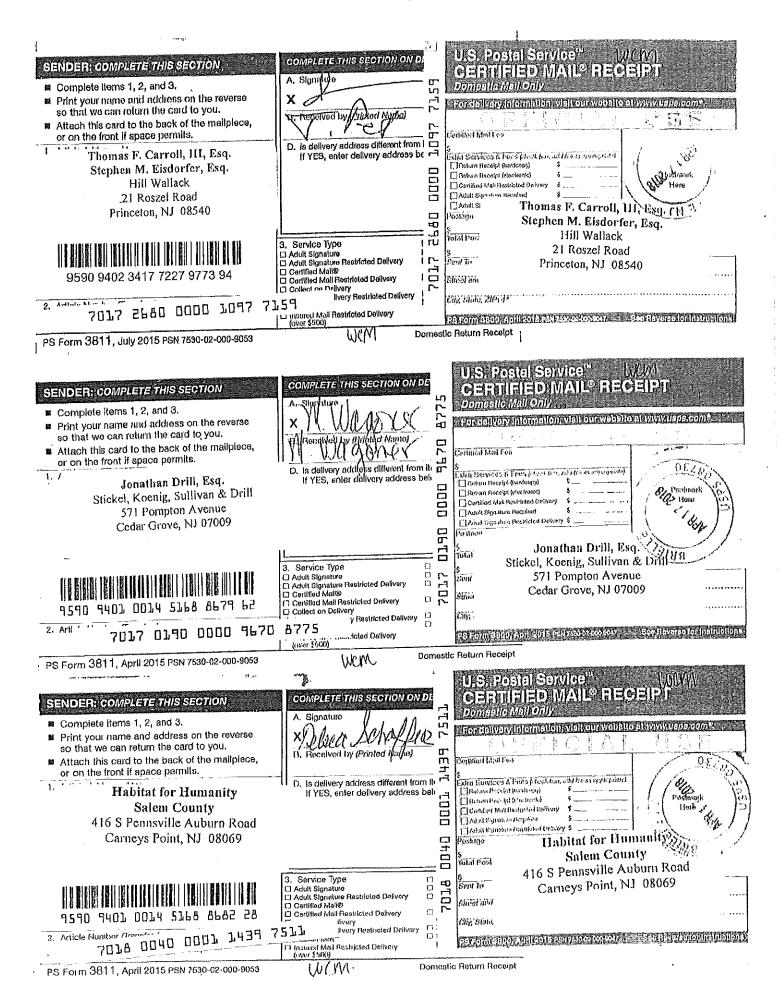
Paulsboro Community Development Center 1540 Swedesboro Avenue Paulsboro, NJ 08006

> Heart of Camden 1840 Broadway Camden, NJ 08104

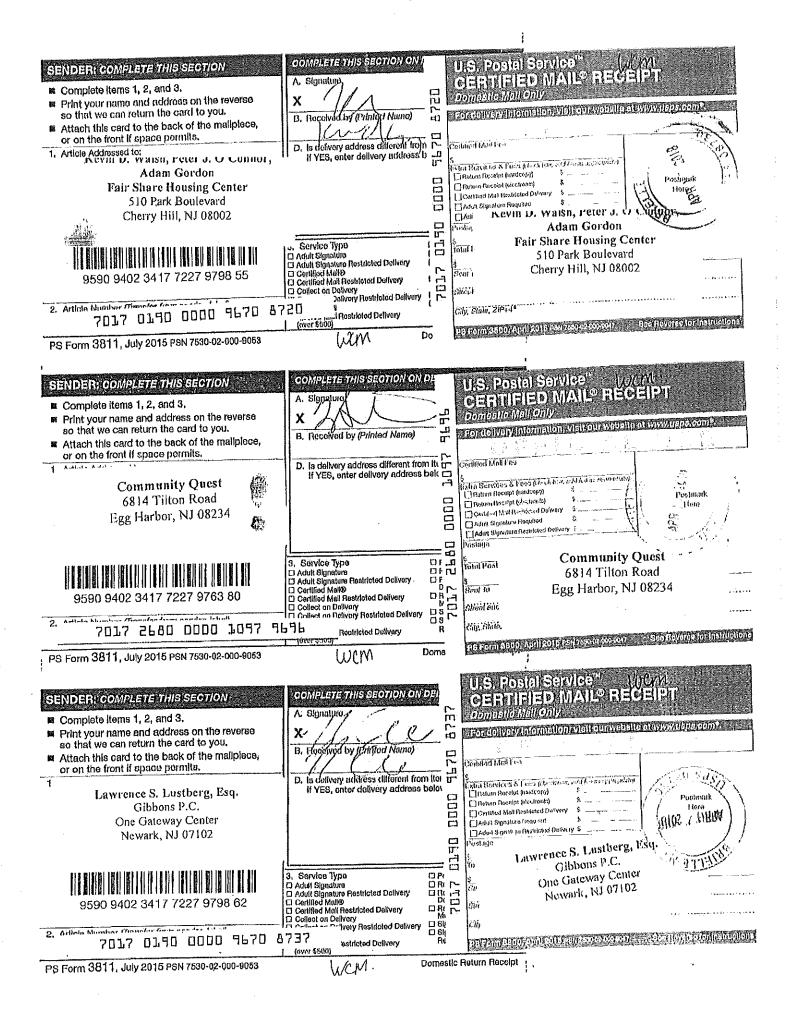
VOADV Property Inc./VOA Delaware Valley 235 White Horse Pike Collingswood, NJ 08107



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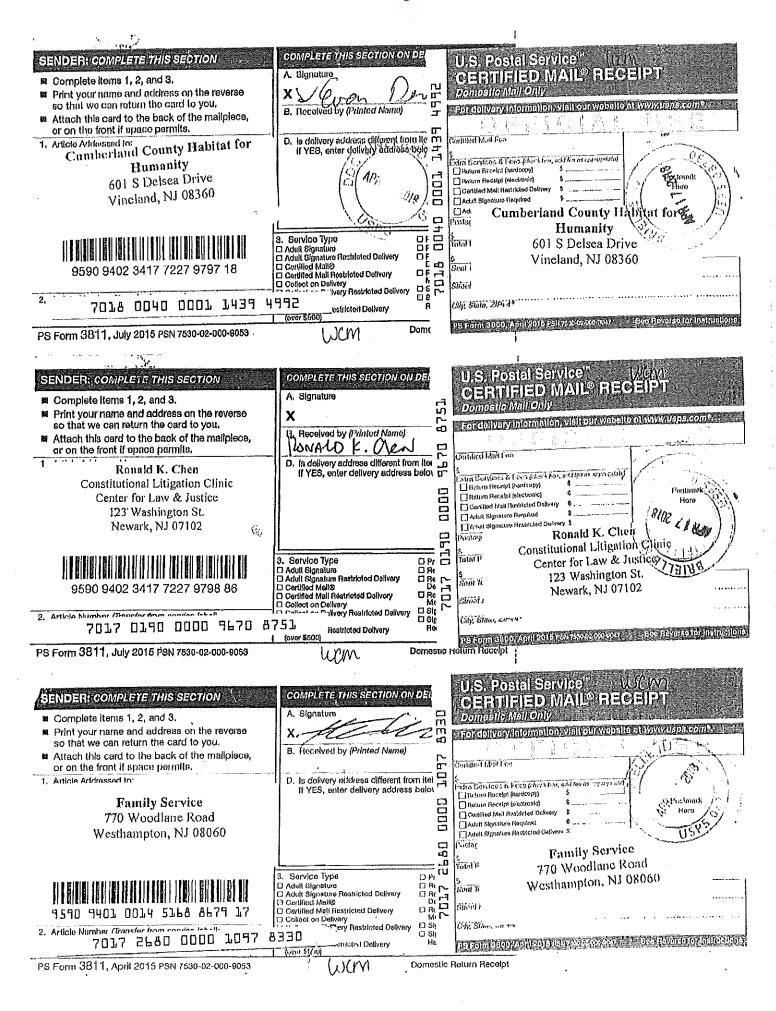
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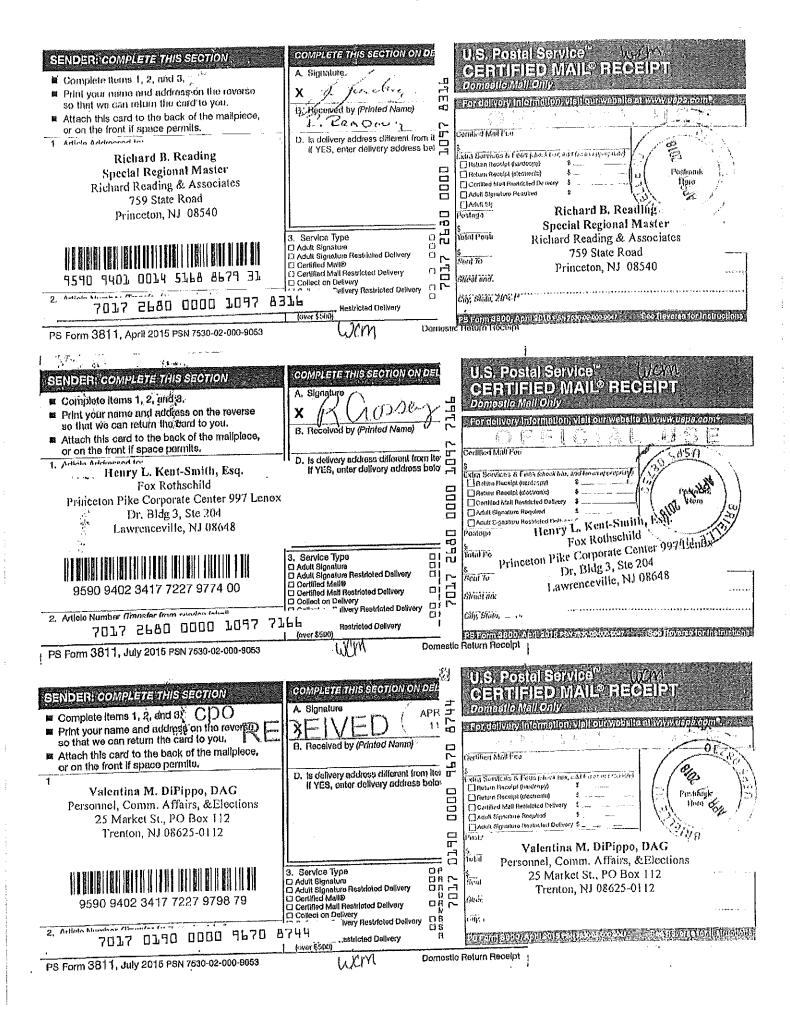
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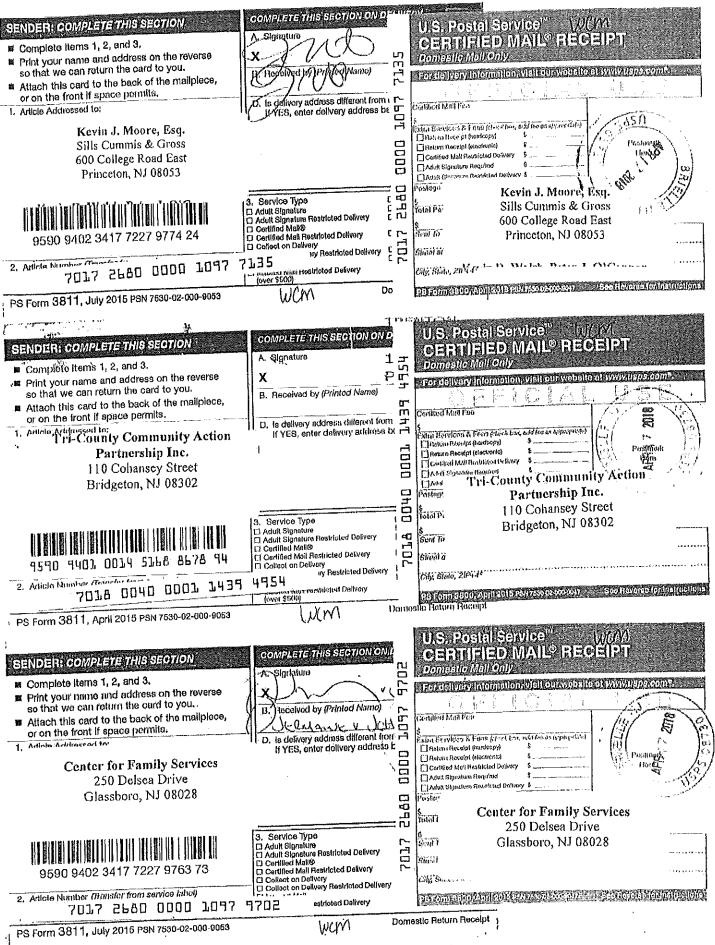
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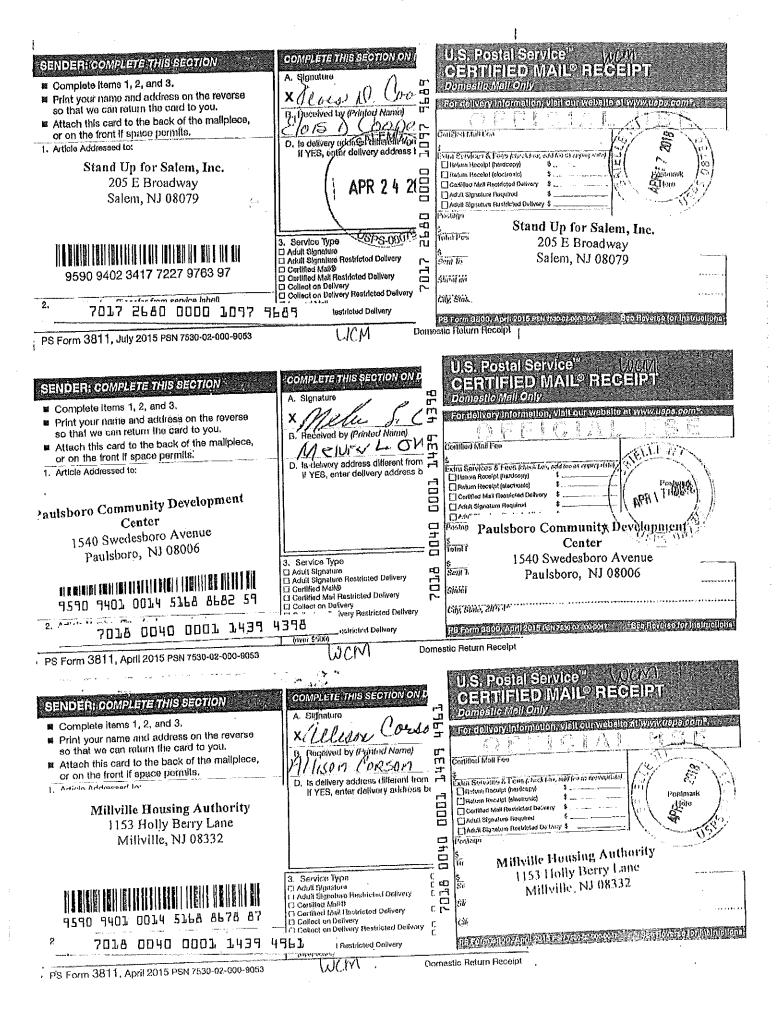


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Text & Email Updates

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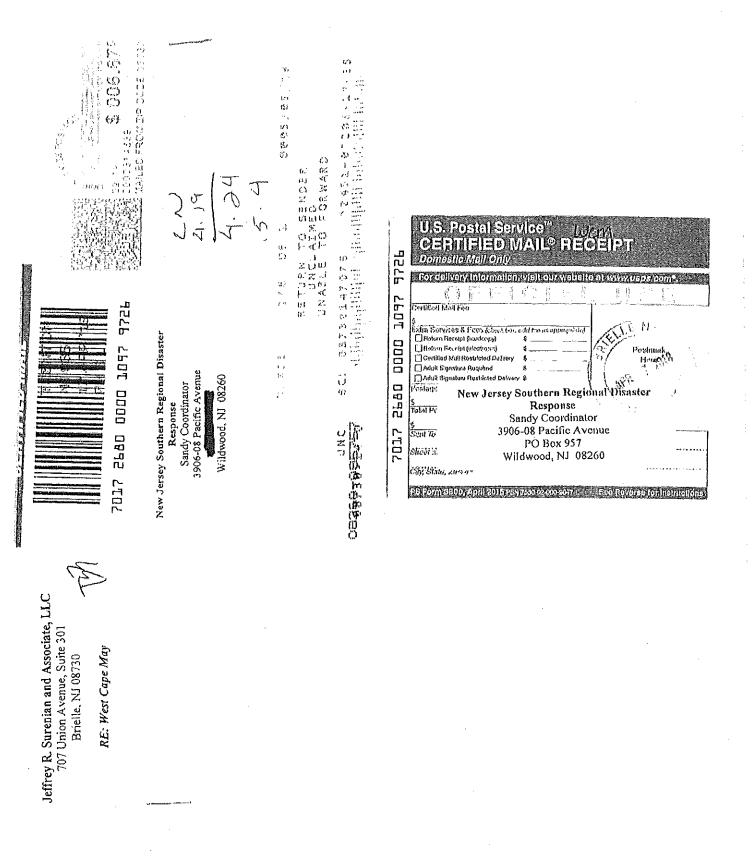
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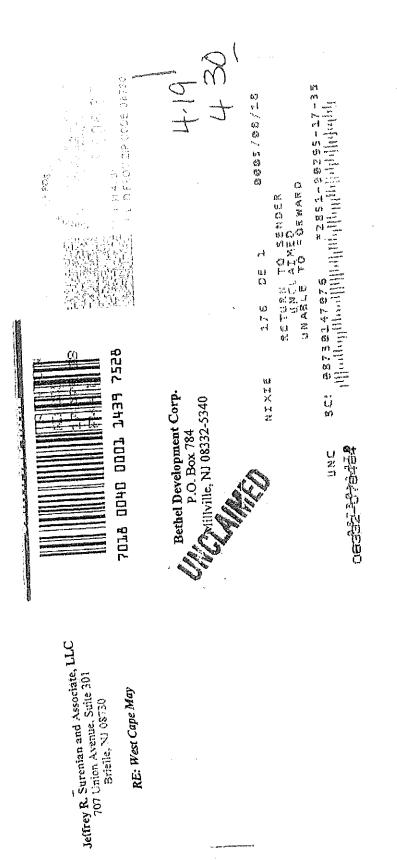
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# Appendix D

Conditional Judgement of Compliance and Repose Order entered on August 31,2018, along with the November 13, 2018 Court Order that finalized the JOR Order. JEFFREY R. SURENIAN AND ASSOCIATES, LLC
Brielle Galleria
707 Union Avenue, Suite 301
Brielle, NJ 08730
(732) 612-3100
Attorneys for Declaratory Plaintiff, Borough of West Cape May
By: Jeffrey R. Surenian (Attorney ID: 024231983) Erik C. Nolan (Attorney ID: 014032006)

IN THE MATTER OF THE APPLICATION OF THE BOROUGH OF WEST CAPE MAY, COUNTY OF CAPE MAY

e

SUPERIOR COURT OF NEW JERSEY LAW DIVISION CAPE MAY COUNTY

DOCKET NO.: CPM-L-302-15

CIVIL ACTION - MOUNT LAUREL

ORDER OF FINAL JUDGMENT OF COMPLIANCE AND REPOSE

THIS MATTER having been opened to the Court by Jeffrey R. Surenian and Associates. LLC, on behalf of declaratory plaintiff, Borough of West Cape May (hereinafter "the Borough" or "West Cape May") via a Declaratory Judgment Complaint filed on July 2, 2015 to approve the Borough's Housing Element and Fair Share Plan (hereinafter "Fair Share Plan") in response to In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel IV"); and the Borough having received an initial Round 3 Judgment of Compliance and Repose via an order entered by the Court on January 13, 2010, which was amended via a second order entered by the Court on April 3, 2012 (hereinafter "Initial Round 3 JOR")(Appendix C of Exhibit P-1); and the Court having granted the Borough immunity from Mount Laurel lawsuits from the time of the filing of the Borough's Declaratory Judgment action (hereinafter "DJ Action"), which is still in full force and effect; and the Court having appointed the Honorable Steven P. Perskie, J.S.C. as the Special Mount Laurel Court Master (hereinafter the "Court Master"); and FSHC having participated in the Borough's DJ Action as an "interested party"; and the Borough and FSHC having entered into a Settlement Agreement on March 28, 2018 (hereinafter the "FSHC Settlement Agreement")(Appendix A of Exhibit P-1); and said FSHC Settlement Agreement having set

agreed upon fair share obligations and how the Borough would satisfy same; and the FSHC Settlement Agreement having been approved during a Fairness Hearing held on May 23, 2018, which was memorialized by an Order entered by the Court on June 15, 2018 (Appendix B of Exhibit P-1); and the Borough having subsequently prepared a Housing Element and Fair Share Plan (hereinafter "Fair Share Plan") (Exhibit P-1), and all supporting documentation in accordance with the FSHC Settlement Agreement; and said Fair Share Plan having been adopted by the Borough's Planning Board on July 10, 2018 (Exhibit P-2) and endorsed by the Borough Board of Commissioners on July 25, 2018 (Exhibit P-3); and a Compliance Hearing having been scheduled for August 28, 2018 to approve the Borough's Fair Share Plan; and said Fair Share Plan, and its appendix, having been put on file for public review at Borough Hall more than 30 days prior to the scheduled Compliance Hearing date of August 28, 2018; and counsel for the Borough having prepared a Notice Certification (Exhibit P-5), to document that proper 30-day notice of the Compliance Hearing had been given; and the Fair Share Plan, its appendix, as well as other additional documents, resolutions and ordinances having been submitted to the Court Master and FSHC for review; and the Borough having received no objections to the Fair Share Plan; and the Compliance Hearing having been held on August 28, 2018, during which Exhibits P-1 to P-10 were marked into evidence; and the Court having considered the testimony taken during the Compliance Hearing, as well as the comments of counsel; and the Court Master having recommended approval of the Borough's Fair Share Plan to the Court on the record during the Compliance Hearing, having found it to be in full compliance; and the Court having reviewed all of the documents submitted into evidence during the Compliance Hearing; and good cause having been shown;

It is hereby ordered on this 31st day of  $Aug \cdot st$ , 2018, as follows:

1. Subject to the satisfaction of the Conditions in Paragraph 9 of this Order, the Borough of West Cape May's Fair Share Plan (<u>Exhibit P-1</u>) is hereby approved and the Borough

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is granted a Judgment of Compliance and Repose as to its Rehabilitation Share, its Prior Round Obligation (1987-1999), and its Third Round Obligation (the last comprised of both the Gap (1999-2015) and the Prospective (2015-2025) Needs), pursuant to the Court approved Settlement Agreement entered into between the Borough and FSHC on March 28, 2018, the Fair Housing Act (N.J.S.A. 52:27D-301, et. seq.)("FHA"), the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1, et seq.) ("UHAC"), applicable Council on Affordable Housing (hereinafter "COAH") substantive rules, and <u>Mount Laurel</u> case law, including the New Jersey Supreme Court's <u>Mount Laurel IV</u> decision.

2. The Borough's Judgment of Compliance and Repose shall remain in effect for ten (10) years beginning on July 2, 2015 and ending on July 2, 2025, and during this ten (10) year period the Borough shall have repose from all <u>Mount Laurel</u> lawsuits, including, but not limited to, Builder's Remedy lawsuits, except for actions brought to enforce the terms of this Order or the FSHC Settlement Agreement.

3. As per the Court approved Settlement Agreement between the Borough and FSHC, and as established in the Borough's Fair Share Plan, the Borough's Rehabilitation Obligation is 2, the Borough's Prior Round Obligation (1987-1999) is 7, and the Borough's Third Round Obligation (Gap (1999-2015) plus Prospective (2015-2025) Needs) is 50.

4. The Borough is entitled to a Vacant Land Adjustment ("VLA") such that it has a Third Round Realistic Development Potential ("RDP") of 10, and a remaining "unmet need" of 40 (Exhibit D of Exhibit P-1).

- 5. The Borough has fully satisfied its Rehabilitation Obligation as follows:
  - a. The Borough has two (2) rehabilitation credits that were approved in its Initial Round 3 JOR.
  - b. The Borough hired Triad Associates to implement a rehabilitation program utilizing state funds, and Triad recently rehabilitated an additional eleven (11) units in the Borough.

- c. Accordingly, the Borough has fully satisfied its current Rehabilitation Obligation of two (2), and has eleven (11) additional credits that can be carried to Round 4, should such credits be allowed to be counted under applicable law in the future.
- 6. The Borough has fully satisfied its Prior Round Obligation (1987-1999) of seven

(7) as follows:

- a. One (1) Credit Without Controls credit.
- b. Four (4) bedroom credits from the seven (7) bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- c. Two (2) rental bonus credits.
- 7. The Borough will satisfy its Third Round (1999-2025) RDP of ten (10) as

### follows:

- a. Two (2) credits from two (2) constructed and occupied Accessory Apartments.
- b. Two (2) additional credits from two (2) to be constructed Accessory Apartment units.
- c. Three (3) bedroom credits from the seven (7) bedroom, constructed and occupied Cape May House Supportive Shared Living Housing Facility.
- d. Three (3) rental bonus credits.
- 8. The Borough will address its combined remaining Third Round (1999-2025)

"unmet need" of forty (40) as follows:

- a. After the initial two (2) Accessory Apartment units are constructed and occupied and the Borough's RDP is fully satisfied as described in Paragraph 7.b. herein, any additional Accessory Apartment units created under the Borough's Accessory Apartment program will be applied to the Borough's unmet need.
- b. The Borough will continue to allow for the construction of residential dwelling units above permitted ground-floor commercial uses in its existing C-1 Broadway Commercial District, C-2 Park Commercial District and C-3 Sunset Commercial District, with affordable housing set-asides of 20 percent (20%) for for-sale units and fifteen percent (15%) for rental units.
- c. An adopted Borough-wide Mandatory Set-Aside Ordinance ("MSO"), which will require that any site that benefits from a rezoning, variance or

redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more dwelling units to produce affordable housing at a set-aside rate of fifteen percent (15%) for rental projects and twenty percent (20%) for for-sale projects. The MSO will not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of West Cape May or the West Cape May Planning Board to grant such rezoning, variance, redevelopment designation or other relief. The MSO will not apply to the C-1, C-2 and C-3 districts.

9. The following Conditions shall be addressed and resolved by the Borough within

90 days of the entry of this Order:

- a. The Borough's Board of Commissioners will adopt the Borough's Affordable Housing Ordinance in substantially the same form as Exhibit P-6.
- b. The Borough's Board of Commissioners will adopt the Borough's Affirmative Marketing Resolution in substantially the same form as <u>Exhibit P-7</u>, which will approve the Borough's Affirmative Marketing Plan.
- c. The Borough's Board of Commissioners will adopt the Borough's Mandatory Set-Aside Ordinance in substantially the same form as Exhibit P-8.
- d. The Borough's Board of Commissioners will adopt the Borough's updated Accessory Apartment Program Ordinance in substantially the same form as <u>Exhibit P-9</u>.
- e. The Borough's Board of Commissioners will adopt the Borough's Ordinance Amending the Borough's C-1, C-2 and C-3 districts in substantially the same form as Exhibit <u>P-10</u>.

10. The Borough's Spending Plan, which has been approved by the Borough and is attached hereto as part of <u>Exhibit P-4</u>, is hereby approved by the Court, and the Borough is free to expend funds in its Affordable Housing Trust Fund in accordance with the FSHC Settlement Agreement, the Borough's Fair Share Plan, the FHA, applicable COAH regulations and all other applicable law.

11. Once the Borough satisfies all of the conditions in Paragraph 9 herein, the Borough and FSHC will enter into a Consent Order indicating that all of the conditions have been satisfied, and said Order will be submitted to the Court for execution.

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12. In the event the actions required by Paragraph 9 are not completed in a timely fashion, this Court retains jurisdiction to hear any challenge(s) by FSHC, or any other interested party, to the Borough's entitlement to the immunity granted herein.

13. This Court retains jurisdiction over this matter solely for the purposes of enforcement of this Judgment of Compliance and Repose and the Settlement Agreement entered by the Borough and Fair Share Housing Center on March 28, 2018.

14. Counsel for the Borough shall provide copies of this Order to the Borough's Service List within seven (7) days of receipt.

HONORABLE NELSON C. JOHNSON, J.S.C.

JEFFREY R. SURENIAN AND ASSOCIATES, LLC Brielle Galleria 707 Union Avenue, Suite 301 Brielle, NJ 08730 (732) 612-3100 Attorneys for Declaratory Plaintiff, Borough of West Cape May By: Jeffrey R. Surenian (Attorney ID: 024231983) Erik C. Nolan (Attorney ID: 014032006)

IN THE MATTER OF THE APPLICATION OF THE BOROUGH OF WEST CAPE MAY, COUNTY OF CAPE MAY SUPERIOR COURT OF NEW JERSEY LAW DIVISION CAPE MAY COUNTY

DOCKET NO.: CPM-L-302-15

CIVIL ACTION - MOUNT LAUREL

ORDER FINALIZING THE BOROUGH'S JUDGMENT OF COMPLIANCE AND REPOSE

THIS MATTER having been opened to the Court by Jeffrey R. Surenian and Associates, LLC, on behalf of declaratory plaintiff, Borough of West Cape May (hereinafter "the Borough" or "West Cape May") via a Declaratory Judgment Complaint filed on July 2, 2015 to approve the Borough's Housing Element and Fair Share Plan (hereinafter "Fair Share Plan") in response to In re N.J.A.C. 5:96 & N.J.A.C. 5:97, 221 N.J. 1 (2015)("Mount Laurel IV"); and the Court having held a properly noticed Compliance Hearing on August 28, 2018; and the Court having entered a Judgment of Compliance and Repose Order on August 31, 2018 (hereinafter "JOR Order"), which approved the Borough's Fair Share Plan, subject to the satisfaction of certain short term conditions set forth in Paragraph 9 of the JOR Order; and the Borough having since satisfied all of the short term conditions; and good cause having been shown;

It is hereby ordered on this 13th day of 100mbm, 2018, as follows:

**FILED** NOV 1 3 2018

JOHN C. PORTO, J.S.C.

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1. All of the short term conditions in Paragraph 9 of the Borough's JOR Order have been fully satisfied, and the Borough's JOR Order is now a Final Judgment of Compliance and Repose, with no conditions remaining.

2. While the JOR Order as modified by this Order is now a final judgment, the Court will retain jurisdiction for the limited purpose of allowing Fair Share Housing Center ("FSHC") and the Borough the ability to enforce rights under the Settlement Agreement entered into between the Borough and FSHC on March 28, 2018, and (b) subject to the consent of FSHC, allowing the Borough to have the future ability to seek an amendment or amendments to its Housing Element and Fair Share Plan, implementing ordinances, and/or the JOR Order should that be necessary.

3. All of the other terms and conditions set forth in the JOR Order remain in full force and effect, including the provision in Paragraph 2 of the JOR Order, that the Borough has immunity from all <u>Mount Laurel</u> lawsuits until July 2, 2025 except for actions brought to enforce the terms of the JOR Order or the FSHC Settlement Agreement.

4. Counsel for the Borough shall provide copies of this Order to the Borough's Service List within seven (7) days of receipt.

JOHN C. PORTO, J.S.C

Consented to as to form and substance:

- Hlap

Erik C. Nolan, Esq. Attorney for the Borough of West Cape May

Adam M. Gordon,Esq. Attorney for Fair Share Housing Center

## Appendix E

August 9, 2023 Resolution authorizing the execution of an affordable housing agreement with Habitat for Humanity; and Municipal Sponsored Affordable Housing Agreement dated August 9, 2023.