

**BOROUGH OF CAPE MAY POINT
ANNUAL AFFORDABLE HOUSING REPORT
DECEMBER 8, 2019**

On March 20, 2018, the settlement agreement between the Borough of Cape May Point and the Fair Share Housing Center was approved by the Courts to allow the Borough to meet its affordable housing obligations from 1987 to 2025. The Borough’s Amended Housing Plan Element and Fair Share Plan was prepared by the planning firm, Clarke Caton Hintz, and was endorsed by the Borough Commission on July 12, 2018. Thereby, the Borough of Cape May Point is immune to builder’s remedy lawsuits through 2025 as it continues to comply with the requirements of the settlement agreement, and implements the Housing Plan Element and Fair Share Plan.

As required in Sections 15 and 16 of the Settlement Agreement with the Fair Share Housing Center, and in accordance with the Borough’s Affordable Housing Ordinance, on or about December 8th of each year, the Borough will provide an annual report of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center 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. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended. The Borough shall also 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 Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.

Affordable Housing Activity Report

Per Section 3 of the Agreement, Cape May Point’s affordable housing obligations are as follows:

Rehabilitation Share	0
Prior Round Obligation (pursuant to <u>N.J.A.C. 5:93</u>)	34
Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this Agreement)	36
Total	70

- The Borough has no rehabilitation obligation.
- The Borough has a realistic development potential (RDP) of 0 units for the Prior and Third Round so there is currently no RDP obligation to satisfy.
- For the purposes of settlement, the Borough agrees to address the unmet need of 70 units from the Prior Round and Third Round through the following mechanisms:

- a. **Accessory Apartment Program:** The Borough already adopted as part of its Borough Code, Section 52, an accessory apartment program in response to its Third Round substantive certification from COAH. The Borough will maintain this Program through at least July 1, 2025, and will prior to final judgment in this matter as part of its Housing Element and Fair Share Plan, through collaboration between FSHC, the Special Master, and representatives of the Borough, provide a plan for marketing the program and adding a very low income unit to the program per paragraph 8 of this agreement.

Program Status: The Borough has adopted an Accessory Apartment Ordinance and has entered into an agreement with Triad Associates, an experienced Administrative Agent to implement the Accessory Apartment Program. The program continues to be marketed; however, no applications have been received to date. A copy of the program's flyer is attached to this report.

- b. **Mandatory Set-Aside:** The Borough shall adopt an ordinance requiring a mandatory affordable housing set aside for all new multifamily residential developments of five (5) units or more. The set aside for rental developments shall be fifteen percent (15%) and the set aside for for-sale developments shall be twenty percent (20%). The provisions of the ordinance shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwellings of five or more.

Affordable Housing Trust Fund Activity Report

For the affordable housing trust fund, the most recent CTM Tracking and Monitoring System entries and updates have been attached to this report. There has been a collection of \$495,766.63 into the fund, expenditures on housing in the amount of \$51,390.90, \$65,504.38 on administration costs, and no expenditures on affordability assistance. This leaves a remaining balance of \$378,871.35 in the trust fund.

In conclusion, all of the requirements of the Borough's settlement agreement continue to be complied with including all family rental, age-restricted, and very low income unit requirements.