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July 18, 2019

Kevin D. Walsh, Esquire  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002

Re: IMO the Application of the City of Ocean City  
Docket No. CPM-L-305-15

Dear Kevin:

Please accept this letter as Ocean City's annual status report, provided in accordance with section 16 of the settlement agreement between Ocean City and Fair Share Housing Center in the matter docketed as CPM-L-305-15 (hereinafter, the "Settlement Agreement").

**Legislative and Planning Board Action in Support of Ocean City's Affordable Housing Program**

Ocean City's governing body has adopted the following ordinances:

1. Ordinance 18-21 amending the City's Affordable Housing Ordinance, at second reading after a public hearing on December 13, 2018.
2. Ordinance 18-22, amending its development fee ordinance, at second reading after a public hearing on December 13, 2018.
3. Ordinance 19-03, providing for a minimum set aside of affordable housing units, at second reading after a public hearing on March 28, 2019 in accordance with Settlement Agreement section 6(d)(iii).
4. Ordinance 19-04, establishing Inclusionary R-2 Zone District Assemblage Overlay Zone, at second reading after public hearings on March 28, 2019 in accordance with Settlement Agreement section 6(d)(ii).
5. The adoption of the requisite "Spending Plan" as contemplated by *N.J.S.A. 52:27D-329.2* and *329.3* occurred on April 11, 2019 in accordance with Settlement Agreement section 15.

6. The adoption of a Housing Element and Fair Share Plan ("Fair Share Plan") by the Ocean City Planning Board, consistent with the standards set forth at *N.J.S.A. 40:55D-1*, et seq. and with *Mount Laurel IV* occurred on April 3, 2019.
7. The ratification of the Fair Share Plan by the City Council via adoption of the requisite ordinance(s) consistent with Article Eight of the Municipal Land Use Law and such other applicable standards of *N.J.S.A. 40:55D-1* et seq. and with *Mount Laurel IV* occurred on April 11, 2019.

The Inclusionary Housing Option in Business Zone Districts, as described in the Settlement Agreement in section 6(d)(i) is still the subject of negotiation between the City and Fair Share Housing.

#### **Municipally Sponsored Family Units**

The City anticipates entering into a Shared Services Agreement with the Ocean City Housing Authority (hereinafter, the "OCHA") within the next thirty (30) days. Pursuant to this Shared Services Agreement, the OCHA will design and project manage the construction of five (5) duplexes in accordance with section 6(c) of the Settlement Agreement.

#### **Market-to-Affordable Program**

After conducting affirmative marketing for this program, the City's agent, Triad Associates, conducted a lottery on January 23, 2019 to identify prospective purchasers. The lottery resulted in a list of approximately 20 interested parties. Triad has worked with a local real estate agent and initially identified at least three (3) properties for this program, one of which is currently under contract for a purchaser whom Triad has certified. The closing on the first unit was scheduled to occur in June but was postponed due to lender questions regarding the development in which the property is located. Closing is anticipated to occur as soon as the lender's questions have been satisfied.

#### **100% Affordable Senior Rentals at Bayview Manor**

The OCHA received pre-development funds from the NJHMFA which it utilized to design this project, which has been expanded from the 20 units required by the Settlement Agreement to 32 units. The Ocean City Planning Board approved the site plan by resolution dated January 29, 2019. The OCHA went out for bid on the contract to construct the project and awarded the contract in late June 2019. On March 28, 2019 the City adopted bond ordinance 19-08 to finance the City's share of this project. The bond ordinance was challenged in a Complaint in Lieu of Prerogative Writ filed on April 22, 2019 by Justin Flood, a *pro se* litigant. The City responded to the Complaint with a motion to dismiss for failure to state a cause of action. The City's motion was granted on June 21, 2019. The appeal period on the Order dismissing Flood's Complaint has not yet run. Meanwhile, the OCHA is pursuing its CAFRA permit for the expanded project.

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**100% Affordable Family Rentals at Peck's Beach Village**

This project is scheduled for after the completion of the project at Bayview Manor.

Please do not hesitate to contact me if you should have any questions regarding the foregoing, and thank you for your attention.

Very truly yours,

*Dorothy F. McCrosson*

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DFM/jaw