

Amended Housing Plan Element and Fair Share Plan



City of Ocean City 4th Round 2026

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Introduction

The City of Ocean City is a coastal municipality located in Cape May County, New Jersey. Encompassing roughly 11.6 square miles, the City occupies most of the barrier island between Great Egg Harbor Bay and the Atlantic Ocean. It is bordered by Upper Township to the south, Somers Point to the northwest (via the Route 52 causeway), and the Atlantic Ocean along its eastern shoreline.

The City has prepared this Housing Plan Element and Fair Share Plan in accordance with the provisions of N.J.A.C. 5:93 and the requirements set forth in A4/S50 (Senate Bill No. 50), including the methodology and procedures established for the Fourth Round of affordable housing obligations.

While the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) does not require municipalities to adopt a Fair Share Plan, doing so provides protection from exclusionary zoning litigation, including builder's remedy lawsuits. Similarly, the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) does not mandate a Housing Plan Element, but it is a prerequisite for adopting or amending zoning ordinances. Together, the FHA and MLUL require that any adopted Housing Element address the municipality's present and prospective housing needs, with particular attention to low- and moderate-income housing. In accordance with the Fair Housing Act (N.J.S.A. 52:27D-310), as implemented through the Fourth Round methodology and procedures established in A4/S50 (P.L. 2024, c.____), the Housing Element shall include at minimum the following components:

1. 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 moderate-income households and substandard housing capable of being rehabilitated. In conducting this inventory, the municipality shall have access, on a confidential basis, to all necessary property tax assessment records and information in the assessor's office, including but not limited to property record cards.
2. A projection of the municipality's housing stock for the next ten years, including the probable future construction of low- and moderate-income housing, taking into account construction permits issued, approved applications for development, and anticipated residential development of lands.
3. An analysis of the municipality's demographic characteristics, including but not limited to household size, income level, and age.
4. An analysis of the existing and projected employment characteristics within the municipality.
5. A determination of the municipality's present and prospective fair share obligation for low- and moderate-income housing, and an assessment of its capacity to accommodate those housing needs, in accordance with the methodologies outlined in A4/S50.
6. A consideration of lands and structures most appropriate for the development, conversion, or rehabilitation of low- and moderate-income housing, including consideration of sites owned by or offered by developers committed to providing affordable housing.

7. A map of all sites designated for the production of low- and moderate-income housing and a listing that includes the owner, acreage, lot, and block for each site.
8. The location and capacity of existing and proposed water and sewer lines and facilities relevant to the designated housing sites.
9. Copies of applications or approvals required for amendments or consistency determinations with applicable area-wide water quality management plans, including wastewater management plans.
10. A copy of the most recently adopted master plan, and where required, the immediately preceding adopted master plan.
11. For each designated site, a copy of the New Jersey Freshwater Wetlands maps where available. If unavailable, appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service shall be submitted.
12. A copy of the appropriate United States Geological Survey (USGS) topographic quadrangle maps for each designated site.
13. Any other documentation reasonably necessary to support review and evaluation of the Housing Element under the standards applicable to the Fourth Round.

Ocean City has consistently demonstrated its commitment to fulfilling its constitutional obligation to provide a fair share of affordable housing. In alignment with the New Jersey Fair Housing Act, the City received Prior Round substantive certification from the Council on Affordable Housing (COAH) in October 2000. Following the dissolution of COAH and the transition to a court-supervised compliance process, Ocean City filed a Declaratory Judgment action with the Superior Court of New Jersey in 2015. This action aimed to establish compliance with Third Round affordable housing obligations and to secure immunity from builder's remedy litigation. The Court granted temporary immunity shortly thereafter. Engaging proactively, the City entered into negotiations with the Fair Share Housing Center (FSHC) to formulate a settlement that would satisfy its constitutional requirements.

On April 3, 2019, the Planning Board adopted the City's Third Round Housing Element and Fair Share Plan. A fairness hearing was conducted to assess the adequacy of the Plan and its compliance with constitutional standards. The Court subsequently issued a finding of fairness and compliance, confirming that Ocean City had met its Third Round affordable housing obligations under the Mount Laurel doctrine.

Inventory of Housing Stock

Age of Housing Stock

Almost 50% of the City’s housing stock was constructed between 1980 and 2009 and almost 20% between 1980 and 1989 alone. Since 2010, 2,112 housing units have been constructed. This is a slightly higher rate than Cape May County during the same time period.

Table 1 – Housing Characteristics

Construction Time	Ocean City Number of Units	Ocean City Crest Percent of Units	Cape May County Number of Units	Cape May County Percent of Units
Prior to 1939	3,329	15.9%	13,262	13.3%
1940 to 1949	656	3.1%	3,911	3.9%
1950 to 1959	995	4.8%	9,406	9.4%
1960 to 1969	1,668	8.0%	9,389	9.4%
1970 to 1979	2,468	11.8%	13,746	13.8%
1980 to 1989	4,031	19.3%	17,214	17.3%
1990 to 1999	2,264	10.8%	9,626	9.7%
2000 to 2009	3,387	16.2%	15,407	15.5%
2010 to 2019	1,850	8.8%	6,668	6.7%
2020 or later	262	1.3%	996	1.0%
Total	20,905	100%	99,625	100%

Source: 2023 American Community Survey, DP04 5-year Estimates

Condition of Housing Stock

This plan utilizes the 2023 American Community Survey 5-Year Estimates, where available, to estimate the number of substandard housing units in Ocean City that are occupied by low and moderate income households. ACS data considers the following factors to estimate the number of substandard housing units:

- Persons per room: 1.01 or more persons per room is an index of overcrowding.
- Plumbing facilities: Inadequate plumbing facilities is indicated by either a lack of exclusive use of plumbing facilities or incomplete plumbing facilities.
- Kitchen facilities: Inadequate facilities are indicated by shared use of a kitchen or the lack of a sink with piped water, a stove or a refrigerator.

Using the above indicators, the table below shows the number of substandard occupied housing in the City of Ocean City.

Table 2 Condition of Housing Stock		
	Total	Percentage
Number of Persons per Room		
● 1.01 or more	68	1.3%
Plumbing Facilities		
● Occupied Units with Complete Plumbing Facilities	5,619	100%
● Units Lacking Complete Plumbing Facilities	0	0.0%
Kitchen Equipment		
● Occupied Units with Complete Kitchen Facilities	5,480	97.5%
● Lacking Complete Kitchen Facilities	139	2.5%
Total Occupied Units	5,619	100%
Source: 2023 American Community Survey, DP04 5-year Estimates		

The 2023 American Community Survey (ACS) indicators were used to estimate the number of substandard housing units in the City of Ocean City. As shown in Table 2, a total of 139 units meet the New Jersey Department of Community Affairs (DCA) criteria for deficient housing, which includes units that are overcrowded, lack complete plumbing or kitchen facilities, or were built more than 50 years ago. In accordance with the methodology outlined in A4/S50 and implemented by the DCA, this figure is used directly to calculate present need. No additional adjustments based on income levels or duplicative household factors were applied, consistent with the standardized present need calculation now utilized statewide.

Purchase or Rental Value of Housing Stock

According to the 2023 ACS, the median value of owner-occupied housing units in Ocean City, New Jersey, was \$719,100, or 82% higher than Cape May County. The table below presents the distribution of these housing units across various value categories.

Table 3				
Value of Owner-Occupied Units	Ocean City		Cape May County	
Value	Units	Percentage	Units	Percentage
Less than \$50,000	20	0.5%	1,168	3.3%
\$50,000 to \$99,999	20	0.5%	587	1.7%
\$100,000 to \$149,999	33	0.8%	552	1.6%
\$150,000 to \$199,999	10	0.2%	2,169	6.2%
\$200,000 to \$299,999	175	4.3%	6,656	18.9%
\$300,000 to \$499,999	705	17.3%	11,899	33.8%
\$500,000 to \$999,999	1,955	48.0%	8,585	24.4%
\$1,000,000 or more	1,152	28.3%	3,564	10.1%
Total	4,070	100%	35,180	100%
Median (dollars)	\$719,100		\$395,000	
Source: 2023 American Community Survey, DP04 5-year Estimates				

According to the 2023 American Community Survey (ACS), the median gross rent in Ocean City was \$1,670. The table below presents the distribution of rental units across various rent ranges. This distribution indicates that a third of the rental units fall within the \$1,500–\$1,999 range (33.6%), reflecting the city's rental market dynamics.

Table 4				
Cost of Rent	Ocean City		Cape May County	
Occupied Units Paying Rent	Units	Percentage	Units	Percentage
Less than \$500	87	6.3%	466	5.3%
\$500-\$999	199	14.3%	1,981	23.5%
\$1,000-\$1,499	251	18.0%	2,475	29.3%
\$1,500-\$1,999	468	33.6%	2,168	25.7%
\$2,000-\$2,499	274	19.7%	1,097	13.0%
\$2,500-\$2,999	60	4.3%	180	2.1%
\$3,000 or more	53	3.8%	199	1.2%
No Rent Paid	157	-	743	-
Total Occupied Units Paying Rent	1,392	100.0%	8,446	100.0%
Median (dollars)	\$1,670		\$1,345	
Source: 2023 American Community Survey, DP04 5-year Estimates				

Occupancy Characteristics and Types of Housing Units

According to the 2023 American Community Survey (ACS), Ocean City, New Jersey, had a total of 20,905 housing units. Of these, 5,619 units were occupied, resulting in an occupancy rate of approximately 26.9%. Among the occupied units, 72.4% were owner-occupied, and 27.6% were renter-occupied.

Table 5a Owner Occupied/Rentals and Total Occupied Units	Ocean City		Cape May County	
	Total	Percentage	Total	Percentage
Housing Units				
• Total Number of Housing Units	20,905	100%	99,625	100%
Occupied Units				
• Total Number of Occupied Housing Units	5,619	26.9%	44,369	44.5%
Owner-Occupied				
• Total Number of Owner-Occupied Housing Units	4,070	72.4%	35,180	79.3%
Renter-Occupied				
• Total Number of Renter-Occupied Housing Units	1,549	27.6%	9,189	20.7%

Source: 2023 American Community Survey, DP04 5-year Estimates

According to the 2023 American Community Survey (ACS), Ocean City, New Jersey, had a total of 20,905 housing units, as shown in Table 5b. This data indicates that single-family attached homes constitute the largest share of Ocean City's housing stock, accounting for approximately 40.4% of all units. The next largest category is single-family detached homes, representing 30.0% of the total. The remainder of the housing stock includes a mix of small and mid-sized multifamily structures, with very few mobile homes or other non-traditional housing types.

Table 5b Housing Units	Ocean City		Cape May County	
	Numbers in Structure	Percentage	Numbers in Structure	Percentage
1 - Unit Detached	6,265	30.0%	52,140	52.3%
1 - Unit Attached	8,441	40.4%	25,363	25.5%
2 Units	2,996	14.3%	6,666	6.7%
3 or 4 Units	844	4.0%	3,157	3.2%
5 to 9 Units	555	2.7%	3,093	3.1%
10 to 19 Units	501	2.4%	1,955	2.0%
20 Units or more	1,288	6.2%	4,157	4.2%
Mobile Home	15	0.1%	3,092	3.1%
Other	0	0.0%	2	0.0%
Total	20,905	100%	99,625	100%

Source: 2023 American Community Survey, DP04 5-year Estimates

Units Affordable to Low and Moderate Income Households

Low income households are defined as those earning less than or equal to 50 percent of a regional median income. Moderate income households earn more than 50 percent of regional median income, but less than 80 percent of regional median income. Formerly issued by COAH, the Affordable Housing Professionals of New Jersey (AHPNJ) publish annual income limits, which define low and moderate income limits based on household size from one (1) occupant up to eight (8) persons per household. Housing units are to be priced to be affordable to households who could reasonably be expected to live within the housing units. For example, the current Affordable Housing rules require that an efficiency unit be affordable to a household of one (1) as shown below in Table 6.

Table 6 2024 AHPNJ Income Limits for Cape May County					
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons
Median Income	\$68,852	\$73,770	\$78,688	\$88,524	\$98,360
Moderate (80% of Median)	\$55,081	\$59,016	\$62,950	\$70,819	\$78,688
Low (50% of Median)	\$34,426	\$36,885	\$39,344	\$44,262	\$49,180
Very Low (30% of Median)	\$20,655	\$22,131	\$23,606	\$26,557	\$29,508
Source: April 2024, AHPNJ 2024 Affordable Housing Regional Income Limits					

To be considered affordable, an owner-occupied unit should not require more than 28 percent of a household’s gross income to cover principal, interest, taxes, and insurance, following a minimum down payment of five percent. For rental units, affordability is defined as a household paying no more than 30 percent of its gross income on rent and utilities. These tables indicate that in Ocean City, approximately 32.5% of owner-occupied households and 58.8% of renter-occupied households are cost-burdened, spending more than 30% of their income on housing costs. This highlights a significant affordability challenge, particularly among renters in the city.

Table 7a Ocean City Monthly Housing Costs as a Percentage of Household Income in Owner-Occupied Units		
Percentage of Income	Number	Percentage
Less than 20%	849	42.3%
20% to 29%	506	25.3%
30% or more	651	32.5%
Total	2,006	100%
Not computed	7	X
Source: 2023 American Community Survey 5-year Estimates		

Table 7b Ocean City Monthly Housing Costs as Percentage of Household Income in Rental Units		
Percentage of Income	Number	Percentage
Less than 15%	163	11.7%
15% to 19.9%	97	7.0%
20% to 24.9%	63	4.5%
25% to 29.9%	251	18.0%
30% to 34.9%	60	4.3%
35% or more	758	54.5%
Total	1,392	100%
Not computed	157	(X)
Source: 2023 American Community Survey, DP04 5-year Estimates		

Projected Housing Stock

Between 2013 and 2023, Ocean City issued building permits for 2,398 new housing units. During the same period, the City also approved permits for the demolition of 1,670 units. This resulted in a net gain of 728 housing units, as shown in Table 8. This trend reflects Ocean City’s ongoing focus on infill development and the redevelopment of older structures, particularly aging single-family homes and small multi-family properties, rather than large-scale greenfield construction.

Table 8 Dwelling Units Authorized			
Year	Residential Building Permits Issued	Residential Demolitions	Total Added
2013	275	295	-20
2014	273	207	66
2015	244	162	82
2016	210	22	188
2017	225	21	204
2018	203	144	59
2019	203	190	13
2020	208	145	63
2021	222	223	-1
2022	215	172	43
2023	120	89	31
Total	2,398	1,670	728
Source: New Jersey Department of Community Affairs, Division of Codes and Standards			

Municipality’s Demographic Characteristics

Ocean City, New Jersey, has experienced notable population fluctuations over the past seven decades. The city saw significant growth during the mid-20th century, followed by periods of decline and stabilization in subsequent decades. The largest drop was between 2000 and 2010, when the population declined by over 23%. The table below summarizes historical population trends for Ocean City from 1950 through 2023.

Table 9 Ocean City Population Characteristics 1950-2023						
Year	Ocean City			Cape May County		
	Population	Population Change	Percentage Change	Population	Population Change	Percentage Change
1950	6,040	–	–	37,131	-	-
1960	7,618	15,78	26.13%	48,555	11,424	30.77%
1970	10,575	2,957	38.82%	59,554	10,999	22.65%
1980	13,949	3,374	31.91%	82,266	22,712	38.14%
1990	15,512	1,563	11.218%	95,089	12,823	15.59%
2000	15,378	-134	-0.86%	102,326	7,237	7.61%
2010	11,701	-3,677	-23.91%	97,265	-5,061	-4.95%
2020	11,229	-472	-4.03%	95,263	-2,002	-2.06%
2023	11,242 (est.)	13	0.12%	94,610	-653	-0.69%

Sources: US Census, New Jersey Department of Labor and South Jersey Transportation Planning Authority ; Cape May County Demographics

Over the past decade, both Ocean City and Cape May County have experienced a clear demographic shift toward an older population. As shown in Table 10, the share of residents aged 65 and over in Ocean City increased by an estimated 4.3 percentage points, now making up approximately 34.2 % of the City’s total population. Concurrently, nearly all younger age cohorts—particularly those under 45—have declined slightly as a share of the population in both geographies. These patterns reflect broader regional aging dynamics and indicate that Ocean City is evolving into an increasingly retirement-oriented community, with limited growth among younger families and working-age residents. The City’s median age of 57.3 underscores this trend and sits notably above the countywide median of 51.4.

**Table 10
Population Comparison by Age**

Age Group	Ocean City 2013	Ocean City 2023	Cape May County 2013	Cape May County 2023
Under 5	4.3%	1.8%	4.7%	4.3%
5 to 14	7.5%	8.4%	10.2%	10.0%
15 to 24	11.6%	10.7%	11.8%	9.4%
25 to 44	17.1%	14.5%	19.9%	19.8%
45 to 64	29.5%	30.5%	31.4%	27.9%
65 and over	29.9%	34.2%	22.2%	28.6%
Total	11,640	11,620	96,684	95,236
Median Age	53.1	57.3	47.7	51.4

Source: 2023 American Community Survey, DP05 5-year Estimates

Ocean City has a comparatively high household income profile reflective of its coastal location and significant population of homeowners and retirees. According to the 2023 American Community Survey 5-Year Estimates, the median household income in the city is \$101,782—substantially higher than the Cape May County median of \$88,046. A quarter of Ocean City households earn \$200,000 or more annually, and over half earn \$100,000 or more, signaling a concentration in upper-income brackets. In contrast, households earning below \$35,000 make up less than 20 % of the total, indicating relatively low rates of poverty compared to the broader region. These figures underscore Ocean City’s standing as a stable and relatively affluent residential community, shaped by high home values, limited housing turnover, and a demographic skewed toward older, financially secure households. A full distribution of household income for Ocean City and Cape May County is presented below in Table 11.

**Table 11
Households by Income**

Income Level	Ocean City	Cape May County
Less than \$10,000	2.0%	3.3%
\$10,000-\$14,999	2.1%	3.3%
\$15,000-\$24,999	7.0%	5.1%
\$25,000-\$34,999	9.0%	6.8%
\$35,000-\$49,999	7.1%	9.6%
\$50,000-\$74,999	13.4%	14.7%
\$75,000-\$99,999	8.8%	13.4%
\$100,000-\$149,999	14.5%	18.5%
\$150,000-\$199,999	11.0%	10.9%
\$200,000 or more	25.1%	14.4%
Median Household Income	\$101,782	\$88,046

Source: 2023 American Community Survey, DP03 5-year Estimates

According to the 2023 American Community Survey (ACS), Ocean City is home to 5,619 occupied households. Of these, a slight majority—approximately 50.3%—are family households, while about

45.7% are non-family households, which often include individuals living alone or with unrelated roommates. A relatively small portion of households—estimated at under 14.5%—include children, underscoring the city’s demographic skew toward older adults, retirees, and seasonal residents. The household composition reflects Ocean City’s identity as a mature, coastal community with a significant share of aging, financially stable residents and relatively few younger families. This trend contributes to the city’s stable but slow-growing population and relatively small average household size. See Table 12 for a breakdown of household types.

Table 12 Household by Type		
Household Type	Number	Percentage
Total Occupied Households	5,619	100%
Married-couple Households	2,827	50.3%
Cohabiting couple family	218	0.03%
Female householder, no spouse and partner present	1,493	26.5%
> Female householder living alone	1,128	20.0%
Male householder, no spouse and partner present	1,081	19.2%
> Male householder living alone	830	14.7%
<i>Source: 2023 American Community Survey, B11012 5-year Estimates</i>		

Employment Characteristics

Based on the 2023 American Community Survey 5-Year Estimates, Ocean City has a total of 5,270 employed residents. The majority of these individuals are employed in the private sector, followed by government workers and self-employed individuals. See table 13.

Table 13 Classification of Workers		
Class	Number	Percentage
Private Wage and Salary	3,961	75.2%
Government Workers	4961	18.2%
Self Employed	325	6.2%
Unpaid Family Workers	23	0.4%
Total	5,270	100%
Source: 2023 American Community Survey , DP03 5-year Estimates		

Based on the 2023 American Community Survey 5-Year Estimates, Ocean City's employed residents are distributed across various economic sectors. The leading industries include educational, health, and social services (a quarter of all employees); and arts, entertainment, recreation, accommodation and food services. The City's workforce sector data is shown below in table 14.

Table 14 Workforce by Sector		
Sector	Number of Employees	Percentage of Workforce
Agriculture, Forestry, Fishing and Hunting, and Mining	19	0.4%
Construction	479	9.1%
Manufacturing	401	7.6%
Wholesale trade	72	1.4%
Retail Trade	431	8.2%
Transportation and Warehousing, and Utilities	240	4.6%
Information	98	1.9%
Finance, Insurance & Real Estate	433	8.2%
Professional, Scientific, Management, Administrative, and Waste Management Services	577	10.9%
Educational, Health, and Social Services	1,330	25.2%
Arts, Entertainment, Recreation, Accommodation and Food Services	745	14.1%
Other Services	155	2.9%
Public Administration	290	5.5%
Total	5,270	100%
Source: 2023 American Community Survey, DP03 5-year Estimates		

The workforce occupation characteristics in Ocean City were analyzed to better understand the City’s economic profile. As shown in Table 15, Ocean City has an equal share of workers employed in arts, entertainment, recreation, accommodation, and food services and educational, health, and social services compared to Cape May County overall. These sectors reflect Ocean City’s strong ties to tourism, seasonal service industries, and older resident care. In contrast, Cape May County maintains slightly higher representation in retail trade and public administration. Table 15 presents a comparative view of occupational characteristics between Ocean City and Cape May County.

Table 15 Occupational Characteristics		
Sector	Ocean City (Percentage)	Cape May County (Percentage)
Agriculture, Forestry, Fishing and Hunting, and Mining	0.4%	1.3%
Construction	9.1%	8.8%
Manufacturing	7.6%	4.4%
Wholesale trade	1.4%	2.2%
Retail Trade	8.2%	10.4%
Transportation and Warehousing, and Utilities	4.6%	3.5%
Information	1.9%	1.5%
Finance, Insurance & Real Estate	8.2%	7.0%
Professional, Scientific, Management, Administrative, and Waste Management Services	10.9%	9.6%
Educational, Health, and Social Services	25.2%	25.2%
Arts, Entertainment, Recreation, Accommodation and Food Services	14.1%	14.3%
Other Services	2.9%	4.2%
Public Administration	5.5%	7.4%
Total	100%	100%
Source: 2023 American Community Survey, DP03 5-year Estimates		

In addition, in order to understand what implications this employment data has for the City and understand what the employment field and area trends are for Ocean City and Cape May County, the New Jersey Department of Labor (NJDOLE) has prepared projections, which analyze the expected increase or decrease in a particular employment sector by the year 2032. This data has been summarized and is illustrated within table 16.

Table 16 Cape May County Projected Employment				
Industry	2022 Actual Employment	2032 Projected Employment	Numeric Change	Outlook
Accommodation and Food Services	10,787	10,914	127	Stable
Administrative and Support and Waste Management and Remediation Services	1,410	1,443	3	Stable
Arts, Entertainment and Recreation	1,974	2,191	217	Growing
Construction	2,708	2,886	178	Growing
Educational Services	3,005	3,174	169	Growing
Finance and Insurance	932	839	-93	Declining
Government	4,913	4,869	-44	Declining
Health Care and Social Assistance	4,554	4,727	173	Stable
Information	184	176	-8	Declining
Management of Companies and Enterprises	159	159	0	Stable
Manufacturing	1,085	1,117	32	Stable
Other Services (except Government)	1,926	2,040	114	Growing
Professional, Scientific, and Technical Services	1,170	1,223	53	Stable
Real Estate and Rental and Leasing	876	895	19	Stable
Retail Trade	6,948	6,993	45	Stable
Transportation and Warehousing	306	313	7	Stable
Utilities	85	74	-11	Declining
Wholesale Trade	669	691	22	Stable
Total (All Industries)	43,691	44,724	1,033	Growing

Source: New Jersey Department of Labor and Workforce Development

The most significant job growth is projected in arts, entertainment and recreation, construction, and health care and social assistance. These trends reflect shifting demands in service-oriented and infrastructure-supportive industries, and a portion of these job gains will likely impact the Ocean City workforce either directly or indirectly, supporting economic opportunity in the region.

Analyses

Vacant Land Analysis

The City of Ocean City conducted a comprehensive Vacant Land Analysis (VLA) to assess its realistic development potential and identify land available to meet its affordable housing obligations. This assessment reviewed tax records, zoning designations, and physical site constraints such as wetlands, flood zones, and parcel size thresholds. Below is a summary of the results:

All parcels listed in the ROSI (Recreation and Open Space Inventory) were excluded from the VLA due to their dedication for public recreation, natural preservation, or open space use. These included multiple parks across the city—such as those within Blocks 100, 101, and 12—ensuring these lands remain protected for community use. As these sites are not available for development, they were excluded from the City’s developable acreage.

The city also reviewed a number of properties coded as vacant under the MOD IV Tax Assessment data. Most parcels were either under the minimum viable size of 0.83 acres or entirely constrained by environmental factors such as wetlands, buffers, Special Flood Hazard Areas, and stormwater easements. Parcels like those along Bay Avenue, Simpson Avenue, and Haven Avenue, although sizable on paper, were determined to be 100% environmentally constrained. Additionally, over 700 parcels were removed from consideration after being identified as falsely coded vacant—such as parking lots, ROSI sites, boat slips, and beach-related parcels.

Following the initial completion of the study, it was identified that the former Seaspray condominium development at Block 3306 Lot 1 is unoccupied and subject to a redevelopment plan that will place 43 new for-sale units on the property. The 43 units is an increase of 12 units from the current density on-site, which creates a set-aside at 20% of 2.4 units, which is rounded up to an RDP of 3 units.

With no other properties identified in the VLA providing viable, unconstrained acreage for development, the City of Ocean City’s total Realistic Development Potential (RDP) is 3 units. See Appendix A.

Analysis of Multigenerational Family Continuity

The 2024 FHA 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). The Commission has the primary goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity.

A review of the City’s ordinances indicates that there are no ordinances that would specifically create a detraction from meeting the Commission’s goal of enabling senior citizens to reside at the homes of their extended families. Notable characteristics of the City’s housing stock, which promote multigenerational family continuity include the presence of many large homes and residential structures that contain three or more bedrooms, and a variety of housing stock in terms of for-sale and rental units in the form of single-family and multi-family units.

In addition, Ocean City permits accessory dwelling units within a single-family or two-family dwelling. While accessory apartments are restricted to income-eligible households, lower-income seniors on a fixed income could be eligible to live in close proximity to their family while maintaining autonomy. Lastly, the City’s affordable housing ordinance requires at least 20% of all affordable housing units within inclusionary developments to be three-bedroom units.

Analysis of consistency with the State Development and Redevelopment Plan

The City’s Fourth Round Housing Element and Fair Share Plan is consistent with the 2001 State Development and Redevelopment Plan (SDRP) as the approved and proposed projects outlined in the Fair Share Plan provide ample opportunity for the construction of affordable housing. All of Ocean City is designated as Planning Area 5B Environmentally Sensitive Barrier Island. Pursuant to the SDRP, housing in PA5B areas should “Provide for housing choices through redevelopment, new construction, rehabilitation, and adaptive reuse. Preserve the existing housing stock through maintenance, rehabilitation and flexible regulation.”

The development of limited but targeted affordable housing in PA5B is consistent with the overall State Development and Redevelopment Plan goal to direct redevelopment and growth into existing “centers” on the barrier islands where infrastructure can support the development and services such as open space, retail shopping, public transportation, schools are within walking distance. Adequate sewer and water capacity are available for development identified in this plan in Ocean City. Ocean City is located within CAFRA, and all development applications that are subject to CAFRA regulations and processes will be followed as required.

Discussions with Affordable Housing Developers

Ocean City has had limited discussions with developers of inclusionary housing projects prior to the adoption of its Fourth Round plan. The HOW Group has proposed developing 43 condominiums at the closed Seaspray development at Bay Ave and 34th Street. This project, with an increased density of 12 units, would create a set-aside of 2.4 affordable units. Discussions with FSHC have confirmed that this can be satisfied by either construction of units on site, or off site through a donation of land.

Additionally, the owner of 200-206 11th Street has offered the site to the City for a discounted price, conditional upon the City developing the site for affordable housing. The property has been subject to a Phase II environmental study and was found to be an Area of Concern for contamination. The City is not interested in purchasing a contaminated property for affordable housing at this time.

Fair Share Plan

Satisfaction of Rehabilitation Obligation

PRESENT NEED (REHABILITATION OBLIGATION) – 33

Ocean City approved Resolution 25-61-248 on January 23rd, 2025 that committed the City to DCA's rehabilitation figure of 160 units. The resolution, while accepting of DCA's determined obligation, reserved the right for Ocean City to adjust its position. Since approving the resolution, the City has conducted a structural conditions survey (colloquially referred to as a "windshield survey") to demonstrate that the Present Need figure determined by DCA should be revised down to reflect more accurate conditions in the City. The Windshield Survey was conducted in portions of Ocean City within which the Construction Official, based upon his knowledge of and experience with the housing stock in Ocean City, includes units which may fall into the category of "in need of rehabilitation". Specifically, his staff drove the area bounded by 1st Street to the north, 20th Street to the south, Asbury Avenue to the east and Bay Avenue to the west, inclusive. Other areas were excluded due to their nature as either being areas of extremely valuable housing units occupied by wealthier households and/or new construction and not in need of rehabilitation.

This survey determined a total of 33 housing units that were structurally deficient and may be occupied by income qualified households. As such, the City submits that its Present Need obligation for the Fourth Round should be adjusted to 33 units from the 160 determined by DCA. The City will continue to implement the housing rehabilitation program that it has in place with Triad Associates.

Satisfaction of Prior Round Obligation

PRIOR ROUND (1987-1999) - 411 UNITS

Ocean City has a Prior Round obligation of 411 units. The City received a vacant land adjustment as part of COAH's substantive certification on October 4, 2000 that reduced this obligation to a realistic development potential of eight (8) units with an unmet need of 403 units. This obligation was combined with the 3rd round obligation per the July 18, 2018 settlement agreement.

Satisfaction of 3rd Round Obligation

THIRD ROUND (1999-2025) – 1,276 UNITS

Per the 2018 settlement agreement with Fair Share Housing Center, Ocean City combined both the prior round and 3rd round obligations and prepared a plan to address the total 1,687 units. Because of a lack of vacant and developable land, the City and FSHC agreed to an RDP of 59 units. The 59 unit RDP was addressed with the following compliance mechanisms:

For-Sale Family Units

Simpson Ave Homes – two family for-sale homes were developed in 2002 at 613 and 626 Simpson Ave (Bl. 607 L. 10 & Bl. 608 L. 15).

Market to Affordable Program – Ocean City committed to undertaking three (3) for-sale units as part of a Market to Affordable Program, administered by Triad Associates. To date, one (1) unit has been completed. The crediting documentation for this unit is included in the Appendix. The City will continue to implement this program to complete the remaining units during the Fourth Round.

Rental Family Units

Scattered Site Rentals – Ocean City developed ten (10) affordable two and three bedroom family rental units at 224-226 Simpson Ave (2 units), 240-246 Haven Ave (4 units) and 3300-02 Bay Ave & 3304-06 Bay Ave (4 units).

Ocean City Housing Authority – Ocean City, in collaboration with the Ocean City Housing Authority, will develop two 100% affordable family rental projects at Peck’s Beach Village. At the North site (Bl. 310, L. 14 & Bl. 309 L. 1 & 2) the City proposes to construct 40 units, while at the South site (Bl. 409 L. 1 & Bl. 410 L. 12) there will be an additional 20 units. A total of 15 bonus units will be generated by the project, for a total of 75 credits. This project has received a funding commitment from the New Jersey Housing and Mortgage Finance Agency with an expected completion date of September 2026. Documentation demonstrating the funding commitment is included in the appendix.

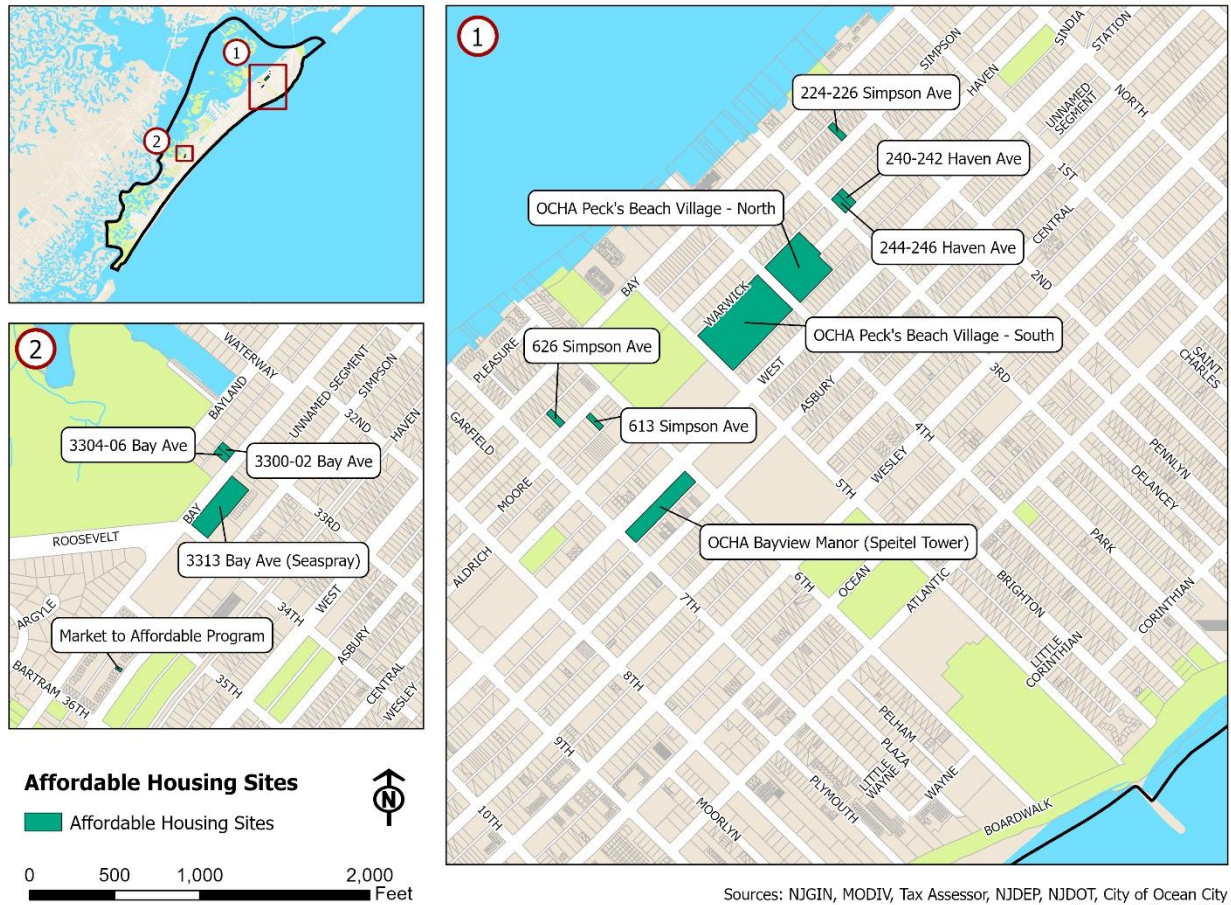
Rental Age-Restricted Units

Ocean City Housing Authority – In addition to the family rental projects with OHCA, the City partnered with OHCA to develop a 100% affordable senior rental at the Bayview Manor site (B. 605 L. 1) consisting of 32 affordable units. This project is completed with compliance documentation included in the Appendix. The City has applied 20 units to the prior round and will apply the remaining 12 units to the 4th round.

Table 17 - Prior and Third Round Compliance Mechanisms

Compliance Mechanism	Rental or Sale	Family or Age Restricted	Units	Bonus Credits	Total Credits
613 & 626 Simpson Ave (B. 607 L. 19, B. 608 L. 15)	Sale	Family	2		2
224-226 Simpson Ave (B. 214 L. 11)	Rental	Family	2		2
240-242 Haven & 244-246 Haven Ave (B. 213 L. 22.01 & B. 213 L. 22.02)	Rental	Family	4		4
3300-02 Bay Ave & 3304-06 Bay Ave (B. 3207 L. 22.01 & 22.02)	Rental	Family	4		4
Market to Affordable Program	Sale	Family	3		3
OCHA Bayview Manor (Speitel Tower) (B. 605 L. 1)	Rental	Age Restricted	20		20
OCHA Peck’s Beach Village – North (B. 310, L. 14 & B. 309 L. 1 & 2)	Rental	Family	40	15	55
OCHA Peck’s Beach Village – South (B. 409, L. 1 & B. 410 L. 12)	Rental	Family	20		20
Total			95	15	110

Figure 1 – Map of Existing and Proposed Affordable Housing Sites



Unmet Need

The difference between the City’s Third Round Prospective Need number and its RDP obligation is what is known as Unmet Need. Whereas the RDP obligation must be affirmatively addressed by the City (as outlined above), Unmet Need is more aspirational. Pursuant to the City’s 3rd Round Settlement Agreement with FSHC, Ocean City had a combined Prior and 3rd Round Unmet Need of 1,517 units. The City addressed its 3rd Round Unmet Need via the following mechanisms:

- Inclusionary Housing Option in Business Zone Districts – Ocean City increased the density and bulk standards for residential uses in business zones and required an inclusionary component. The zoning ordinances increased the density in the Neighborhood Business (NB) and 34th Street Gateway (GW) zones from 10.9 units/acre to 16 units/acre and increased the maximum building height to three habitable floors. Density in the Central Business (CB) and Central Business-1 (CB-1) zones from 30 to 40 units/acre and increased the maximum building height to four habitable floors. Lastly, residential uses were added as conditional uses in the Drive-In Business (DB) zone. The updated ordinances are included in the appendix.

- Inclusionary R-2 Zone Districts Assemblage Incentive Overlay Zone – The City adopted an inclusionary overlay zone applicable to all R-2 zone districts, triggered by an assemblage of at least 25% of the land area of a block that is designated R-2. The zoning ordinance increased the permitted density, increased the maximum building height, and included multifamily housing as a permitted use. The updated zoning ordinance is in the appendix.
- Municipal Set-Aside Ordinance – Ocean City adopted a municipal-wide ordinance that required an affordable set-aside of 20% for for-sale and 15% for rental occupied multi-family housing projects for developments five units or greater; or where a use or density variance was required to permit the development. The MSO will be updated in accordance with the new regulations to require a 20% set-aside for all inclusionary projects, regardless of tenure.

Satisfaction of 4th Round Obligation

4TH ROUND OBLIGATION – 68 units

DCA determined that the obligation for Ocean City for the Fourth Round is 68 units, which was accepted by the City in its binding resolution. As noted previously in this document, Ocean City has applied a vacant land adjustment to this obligation, which establishes a new RDP of 3 units. However, the Amended FHA requires that any municipality that receives an adjustment of its prospective need obligations for the fourth round based on a lack of vacant land shall as part of the process of adopting and implementing its housing element and fair share plan identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, if possible, and adopt realistic zoning that allows for such adjusted obligation, or demonstrate why the municipality is unable to do so. Twenty-five percent of the prospective need obligation that has been adjusted is 17 housing units.

Ocean City is permitted to satisfy 25% of its prospective need obligation with age-restricted housing units. Ocean City is applying the 12 units remaining from the Prior Round at Speitel Tower to its Fourth Round obligation. In addition to the application of these units, the municipality, as part of its compliance with the 3rd round obligations, adopted ordinances that applied to lands most appropriate for increased residential development. It will continue to apply these ordinances to ensure that affordable units are developed in accordance with the obligation.

The Seaspray project at 3313 Bay Avenue, Block 3306 Lot 1 will provide two (2) units against the RDP obligation. The remaining one unit will be met by Speitel Tower. Additionally, Ocean City will provide a subsidy to the Ocean City Housing Authority to construct an additional 28 units at the southern end of the Peck’s Beach Village development (dubbed Pecks Beach II). The exact subsidy is to be determined, but a placeholder amount will be included in the spending plan and the City reserves the right to update the spending plan with the finalized subsidy when agreed upon by the City and Housing Authority.

Table 18 - Fourth Round RDP Compliance Mechanisms

Compliance Mechanism	Rental or Sale	Family or Age Restricted	Units	Bonus Credits	Total Credits
Seaspray (B. 3306 L. 1)	Sale	Family	2	0	2
OCHA Bayview Manor (Speitel Tower) (B. 605 L. 1)	Rental	Age Restricted	1	0	1
Total			1	0	1

Table 19 - Fourth Round Adjusted Obligation Compliance Mechanisms

Compliance Mechanism	Rental or Sale	Family or Age Restricted	Units	Bonus Credits	Total Credits
OCHA Bayview Manor (Speitel Tower) (B. 605 L. 1)	Rental	Age Restricted	11	0	11
OCHA Peck’s Beach Village II – South (B. 409, L. 1 & B. 410 L. 12)	Rental	Family	28	0	28
Total			39	0	39

Unmet Need

The combined Unmet Need from the Prior, 3rd, and 4th rounds is 1,602 units. The City will continue to apply the existing zoning overlays and updated set-aside ordinances to address this obligation.

Cost Generation

Ocean City will focus on complying with N.J.A.C. 5:93-10 regarding ensuring the elimination of unnecessary cost generating features from municipal land use ordinances. The municipality will eliminate development standards that are not essential to protecting the public welfare and will expedite (“fast track”) approvals/denials on inclusionary development applications. The City will cooperate with developers of inclusionary developments in scheduling preapplication meetings, and municipal boards shall schedule regular and special monthly meetings (as needed) and provide ample time at those meetings to consider the merits of the inclusionary development application.

Appendix A – Vacant Land Analysis Maps & Tables

Appendix B – Resolution accepting the Fourth Round Obligations

Appendix C – Market to Affordable Crediting Documentation

Appendix D – Windshield Survey

Appendix E – Affordable Housing Ordinances

Appendix F – OCHA Documents

Appendix G – Scattered Site Deed Restriction

Appendix H – Spending Plan