CITY OF CAPE MAY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY

ORDINANCE NO. 591-2026

AN ORDINANCE AMENDING CHAPTER 525 OF THE CITY ZONING CODE TO PROMOTE AFFORDABLE HOUSING IN THE C-5 ZONING DISTRICT

WHEREAS, the C-5 Service Business–Light Industrial District includes certain areas fronting on Elmira Street and Bank Street and is located in proximity to Cape Island Creek; and

WHEREAS, pursuant to Section 525-26 of the City Code, the purposes of the C-5 District are to provide adequate space for service-oriented and light industrial businesses in designated areas, while ensuring compatibility among uses and accessibility to essential facilities; to maximize light and air through appropriate building height and spacing; and to safeguard these districts from incompatible intrusions. By promoting a well-planned pattern of land use, the City seeks to foster stable growth, protect the character and value of commercial and industrial zones, strengthen the economic base, and support municipal revenues. Additionally, these guidelines aim to preserve natural, historical, and physical resources, ensuring that permitted uses align with the long-term viability and overall economic well-being of the community; and

WHEREAS, consistent with the City's obligation to provide realistic opportunities for affordable housing, and in accordance with the Consent Order entered into with Fair Share Housing Center in the City's Fourth Round declaratory judgment case entitled In the Matter of the Application of the City of Cape May, Docket No. CPM-L-37-25, the City Council intends to promote affordable housing within the City of Cape May through the application of an overlay in the C-5 District where realistic development opportunities exist. For reference, the proposed overlay standards for bulk and density set forth below are similar to those that exist in the R-3 and R-S zones; and

WHEREAS, pursuant to N.J.S.A. 40:55D-26, prior to the final adoption of this development regulation, the City Council has reviewed the report and any recommendation of the Planning Board.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cape May as follows:

Section 1. Section 525 of the Cape May City Code is hereby amended to include the following **NEW LANGUAGE**:

§ 525-26.1 C-5(O) - Service Business-Light Industrial Affordable Housing Overlay District.

A. Intent. In addition to the goals stated in § 525-2 of this chapter, this district is established in accordance with the planning policies as described in the City's Comprehensive Development Plan and are intended to achieve the following:

(1) Provide sufficient space in appropriate locations for various types of affordable housing uses anticipated by the City plan.

B. Use regulations.

(1) Conditional Uses by right. In any C-5(O) District, land, buildings, or premises may be used by right for the following purposes:

(a) Attached dwellings.

(b) Multifamily dwellings.

Subject to the following Conditions:

[1] Overall tract size must be at least 1 acre. Smaller lots may be created within the overall tract.

[2] Project must include an onsite inclusionary zoning component with a presumptive maximum affordable housing set-aside of twenty percent (20%) of the total number of units in the development. All affordable units in such projects will be constructed and occupied in compliance with the Fair Housing Act ("FHA"), the Uniform Housing Affordability Controls ("UHAC"), the City's Housing Element and Fair Share Plan, and the City's Affordable Housing Ordinance.

(2) Accessory uses. Only the following accessory uses may be permitted in any C-5(O) District:

(a) Customary accessory uses related to attached dwellings and multifamily dwellings.
(b) Off-street parking facilities.
(c) Private and semi-private recreation facilities subject to § 525-62.
(d) Residential accessory uses subject to § 525-55.
(e) Uses which are clearly incidental and accessory to the uses by right.

C. Area and bulk regulations.

(1) Minimum Requirements:

	Attached Dwelling/Multifamily Dwellings
Minimum lot size	12,500 sq. ft.
Min. lot size per dwelling unit	2,500 sq. ft.
Building setback line	20 feet
Lot width	100 feet
Lot frontage	100 feet*
Habitable floor area per dwelling unit	500 sq. ft.

	Attached Dwelling/Multifamily Dwellings
Rear yard	25 feet
Total	20 feet
Each side	10 feet

*For corner lots and lots fronting on a cul-de-sac, see definition of lot frontage.

(2) Maximum regulations:

TABLE 1

	Building Height	Lot Coverage
Attached dwellings	35 feet	75%
Multifamily dwellings	35 feet	75%

(3) Building heights are subject to § 525-59D.

D. Supplemental regulations. As required by Articles IX, X and XI, inclusive.

Section 2. All other ordinances in conflict or inconsistent with this Ordinance are hereby repealed, to the extent of such conflict or inconsistency. Should any portion of this Ordinance be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or repeal the remainder of this Ordinance.

Section 3. This ordinance shall take effect 20 days after passage and publication, according to law.

ATTEST:

Erin C. Burke, City Clerk

CITY OF CAPE MAY, a municipal corporation of the State of New Jersey

BY: Maureen K. McDade, Deputy Mayor

NOTICE

Ordinance 591-2026 was introduced at a Regular meeting of the City Council of the City of Cape May, held on February 3, 2026, tabled on March 3, 2026, and was further considered for final passage during a Regular meeting of the City Council, held at the Cape May City Hall Auditorium, 643 Washington Street, Cape May, New Jersey, on March 17, 2026 at 5:00 P.M. at which time a Public Hearing was held.

Erin C. Burke, City Clerk

Roll Call	Ayes	Nays	Absent	Abstain	Motion	Second
Meier	X					X
McDade	X				X	
Bodnar	X					
Baldwin	X					
Mullock	X					

Introduced: February 3, 2026
1st Publication: February 11, 2026
Tabled: March 3, 2026
2nd Reading & Adoption: March 17, 2026
Final Publication: March 18, 2026
Effective Date: April 7, 2026

cc: City Manager
Affordable Housing Counsel
City Solicitor
Planning Board