



City of Ocean City Permit and Application Process Quality Improvement

Introduction.

This report embodies a thorough evaluation of Ocean City's land use approval and development permitting procedures. Specific reference is made to application requirements and administrative procedures, software efficiency, subdivision, site plan and variance ordinances and checklists. A series of recommendations are provided with the goal of streamlining these processes.

This report has been prepared in response to recommendations contained in the Ocean City Strategic Recovery Planning Report (October 7, 2015). Preparation of this "Permit and Application Process Quality Improvement" report has been made possible with funding provided by a Post-Sandy Planning Assistance Grant administered by the New Jersey Department of Community Affairs.

Information Management

In 2000 the City Administration recognized the impact of technology on operations and formed the Management and Information Systems Division (MIS). Creation of the MIS Division clearly defined a formal role for technology in Ocean City. The role of this division has evolved and includes areas such as communication systems and full-service technical support operations. The multi-faceted approach to data processing is now used for knowledge-based sharing and cross-utilization of resources. Information that was once contained in a single system now uses multiple technologies to traverse all city operations. The business demand for change created the new *Information Technology Division* in January 2006.

Needs Evaluation

City staff involved on a daily basis with development applications and permits were interviewed to identify needs related to the way information is managed. During the course of this evaluation, the City changed software platforms from Mitchell Humphrey to Spatial Data Logic (SDL). The SDL Land Use Professional module includes flexible tracking and intuitive wizards that simplify all workflows for planning applications, planning and zoning board processes, zoning application, zoning officer activities, plus data and workflow integration with other municipal departments. The SDL operating system is GIS-based and adds the spatial element to the management of applications, permits, inspections and violations.

Issues of concern related to permits and applications identified via interviews with the zoning officer, land use administrator, construction official, building sub-code official and construction clerk are summarized below:

- For mercantile licenses, the ability to send invoices/renewal notices electronically
- For mercantile licenses and escrow accounts, the ability for applicants to pay online via desktop
- The ability to scan/attach documents directly to a mercantile license
- For development applications, the ability to scan/attach final stamped plans and resolution to the application
- The ability to track progress of development applications in accord with “Municipal Land Use Law” timelines
- Reduce the manual effort and simplify data entry
- For buildings damaged by Sandy, reduce the need for variances to elevate structures
- Adopt International Property Maintenance Code
- Equip building inspectors with palm pilots to facilitate field work
- Regarding the Flood Damage Prevention Ordinance –
 - Require ground floor space (crawl space, storage) below base flood to be unfinished

- Require mechanical equipment to be above flood elevation
- Revise ordinance to address X zones – first floor to be as required by lowest adjacent zone
- Require appeals/variances to be reviewed by Construction Official prior to application to appeals board
- Develop a checklist for building permit process to track progress
- Encourage applicants to complete all required construction-related forms prior to submission

Key Elements

Discussions with City staff, builders and homeowners have revealed several elements of the web-based permit and application system that are key to its efficiency and effectiveness for all users.

- Organizes and stores complex property and land use information.
- Integrates with Tax Assessor data base.
- Manages the construction process from permit application through plan review, inspections, and certificate of approval or occupancy.
- Stores all BOCA and local codes.
- Provides remote access for inspectors via hand-held devices.
- Tracks violations, invoices, payments, and certificates.
- Includes GIS Mapping capability.
- Citizens can remotely:
 - Submit applications
 - Pay outstanding balances
 - Ask questions, check status, and receive responses
- City staff can automatically:
 - Communicate with all parties involved in the process
 - Schedule tasks and renewal notifications
 - Compute fees, communicate balances due, and issue licenses and permits

- Receive and open cases resulting from complaints
- Schedule inspectors based on type, location, availability, etc.
- Review the complete history of a specific code enforcement case, including those arising from citizen complaints
- Review the complete history of code enforcement cases for a specific property
- Review up-to-the-minute reports on activity including number of inspections by type, violations by type, average processing time, and the like
- Inspectors can, from the field or office:
 - Maintain and view up-to-the-minute schedules
 - Create and print inspection lists, violation notices, and citations
 - Track the status and update code enforcement cases

Building Permits and Construction Activity

Sixteen years of building permit data from 2000-2015 identifies the level of residential and retail construction activity during this time. The annual average residential building permits for the 16-year period is 285.

Following a decline between 2007 and 2012, the number of permits issued from 2013 to 2015 is more indicative of the annual average. A large number of permits issued since 2013 are attributable to Sandy-related construction.

Year	Residential Units	Retail (Square Feet)
2000	412	24,755
2001	467	27,236
2002	390	16,394
2003	432	22,851
2004	513	80,294
2005	539	36,723
2006	291	57,913
2007	155	13,516

2008	112	9,967
2009	71	0
2010	106	0
2011	118	1,883
2012	157	0
2013	275	1,500
2014	273	2,887
2015	244	1,229
2016	199	NA

Responses to Hurricane Sandy

Hurricane Sandy's impact on Ocean City was severe. In economic terms Ocean City incurred approximately \$17 million in restoration and repair costs for public property and facilities. Sandy-related adjustments for individual property assessments resulted in a \$15.5 million reduction to the City's ratable base in 2013. Local businesses, schools and over six thousand homes in Ocean City sustained "severe" or "major" damage from the storm.

In the months immediately following Hurricane Sandy Ocean City facilitated recovery from the storm's effects and has implemented several regulatory tools to aid on-going recovery efforts, including the following ordinances:

- Ordinance 12-19 - Ordinance 12-19 defines *Lowest Floor* consistent with the building code. The new term of *Zoning Flood Elevation (ZFE)*, requires the elevation of the *Lowest Floor* in "FEMA A Zones" to be a minimum of two (2) feet above BFE. As a measure to improve consistency between the zoning ordinance and building code, ZFE requires dwellings in "FEMA High Hazard V Zones" to elevate the lowest horizontal structural member a

minimum of two (2) feet or three (3) feet above BFE – depending on the direction of wave action.

- Ordinance 13-07 – Permits nonconforming buildings to elevate to conform to FEMA requirements without requiring variance relief.
- Ordinance 13-12 – Modified permissions granted by Ordinance 13-07 regarding nonconforming buildings.
- Ordinance 13-30 – Describes elevation requirements in X Zones, and exempts certain historic properties from elevation requirements.
- Ordinance 13-31 - Adopted the new Advisory Flood Hazard Maps dated December 12, 2012, incorporates Best Available Flood Hazard Data, and provides updated standards for construction that occurs in special flood hazard areas.
- Ordinance 14-09 – Requires minimum elevation of non-oceanfront bulkheads at 7' NAVD88, and oceanfront bulkheads at 11' NAVD88, with construction in compliance with the Flood Damage Prevention Ordinance.
- 14-23 – Specifies screening requirements for the ground-level space beneath elevated buildings.
- 14-30 – Specifies that building height in the Central Business Zone is measured from BFE+1.
- 14-31 – Specifies that building height in the Central Business-1 Zone is measured from BFE+1.
- 14-39 – Specifies that building height in the Drive-in Business Zone is measured from BFE+1.
- 14-40 – Revises the Zoning Flood Elevation to BFE+3.

The City is also advancing the following projects:

- A FEMA hazard mitigation grant is being used to consolidate the drainage systems and construct a pump station to service areas from 1st Street to 8th Street between West Avenue and the bayfront.

- The City has cooperated with ATT and Verizon to install repeaters on utility poles to aid emergency broadcast and communications.
- The City continues to upgrade and increase storm drainage capacity throughout town where systems are currently designed to handle only a 2-year storm.

Review of Procedures and Available Resources, Staff Interviews

Development Review

In addition to review of ordinances and application forms, City staff were interviewed to obtain a clear understanding of the permit and application processes.

Development applications in Ocean City are reviewed and approved by either the planning board or zoning board of adjustment. The respective powers of the planning board and zoning board of adjustment are described in Section 25-700.5 and Section 25-800.2, of the City Code respectively. From January 2005 through April 2017 1,082 development applications were submitted for approval. Sixty-four percent of these were to the Zoning Board of Adjustment, with the remaining 36% to the Planning Board.

The Ocean City Code defines *Application for Development* as “the application form and all accompanying documents required by ordinance for approval of a subdivision plat, site plan, planned development, conditional use, zoning variance or direction for the issuance of a permit pursuant to N.J.S.A. 40:55D-1 et seq.”

Procedures and requirements pertaining to applications for development are contained in Article 1500 of the City Code. Article 1500 contains submission requirements for subdivision, site plan and variance applications to the planning board and board of adjustment. It also

includes checklists of plat requirements, describes the completeness process, identifies conditions of approval, and describes the effect of final approval.

Volume II of the City Code which contains the application review requirements and procedures noted above can be accessed via this link - <http://clerkshq.com/default.aspx?clientsite=OceanCity-nj>.

Planning and Zoning

Additional information including planning documents and application forms to assist applicants is available on the City's website. Information available via the following link

<http://www.ocnj.us/index.cfm?fuseaction=content.faq&faqTypeID=16>

includes the following.

- City Master Plan
- Administrative Site Plan Review Application
- Combined Board Application
- Zoning Map
- Amendment to Approve Plans (E-FORM)
- Application Checklist
- CAFRA Review Checklist
- Concrete Permit (E-FORM)
- Final Zoning Compliance (E-FORM)
- Grading Recharge Permit (E-FORM)
- Screening of Equipment or Machinery
- Under Construction Review (E-FORM)
- Zoning Application Requirements
- Zoning Permit Application
- Planning Board Rules and Regulations (including public comment)
- Zoning Board Rules and Procedures (including public comment)

Construction Code

The Construction Code Office is responsible for issuing building, plumbing, electrical, fire and mechanical permits, and inspecting completed work for compliance with the NJ adopted construction codes. Frequently requested forms which can be downloaded and printed are listed below.

- Fire Subcode Technical
- Electrical Subcode Technical
- Building Subcode Technical
- Plumbing Subcode Technical
- Framing Checklist
- Variation Application
- Construction Permit App F100-1
- Construction Permit App F100-2
- Construction Permit App F100-3
- Development Fees Ordinance 06-30
- Development Fees Ordinance 06-34
- Mechanical Inspection Technical Form
- COAH Form
- CAFRA Checklist
- Application for Certificate

In response to the increased number of permits for elevating buildings in the aftermath of Sandy, the Construction Code office also prepared a checklist of requirements specifically for this purpose. The *'House Raising Requirements'* specify the type of plans required, and application forms for the house lift contractor, general contractor, temporary pole and utilities.

Recommendations

Efficient management of development permits and applications requires a sophisticated operating system and dedicated quality control of the attendant information. Recommendations for maintaining and improving

the processing of development permits and applications are described below. These recommendations are based on the evaluations described herein and should be modified in response to operating system upgrades and improvements in information technology.

Flood Damage Prevention Ordinance

The City's Flood Damage Prevention Ordinance provides critical regulations to protect persons and properties from flood damage. This Ordinance is inextricably connected to the City's participation in FEMA's Community Rating System.

The National Flood Insurance Program's (NFIP) Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements.

As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS:

1. Reduce flood damage to insurable property;
2. Strengthen and support the insurance aspects of the NFIP, and
3. Encourage a comprehensive approach to floodplain management

The CRS uses a Class rating system that is similar to fire insurance rating to determine flood insurance premium reductions for residents. As a community engages in additional mitigation activities, its residents become eligible for increased NFIP policy premium discounts. Each CRS Class improvement produces a 5 percent greater discount on flood insurance premiums for properties in the SFHA.

Ocean City has achieved Class 5 in the National Flood Insurance Program's Community Rating System. This means all policy holders in Ocean City now receive a 25 percent discount on their flood insurance. The CRS

program rewards towns that take action to make properties less vulnerable to flooding. The new rating means Ocean City's 17,019 policy holders collectively save more than \$2.8 million every year – an average savings of \$165 per participating home.

Recommendations pertaining to the Flood Damage Prevention ordinance (Chapter XXI) intended to improve the application process include the following:

- Require ground floor space (crawl space, storage) below base flood to be unfinished
- Require mechanical equipment to be above flood elevation
- Revise ordinance to address X zones – first floor to be as required by lowest adjacent zone
- Require appeals/variances to be reviewed by Construction Official prior to application to appeals board

Zoning and Land Development

Recommendations pertaining to the Zoning and Land Development ordinance (Chapter XXV) intended to improve the application process are described below.

25-1500.4.3 Completeness Review.

*When all submission requirements have been fulfilled and, in case of major site plans, subdivisions and conditional uses, when completeness review reports have been received from the Board Engineer and ~~City~~ **Board** Planner certifying that the plans and attachments are in compliance with all submission requirements; the ~~Planning Board/or the Secretary of the Board of Adjustment in the case of the Board of Adjustment application~~ **Administrative Officer** will, if all other requirements have been met, deem the application complete.*

An application for development shall be deemed to be properly submitted unless the Administrative Officer determines that it does not fulfill the criteria for a complete application pursuant to Section 25-700.6 of this Ordinance and the Administrative Officer has done the following:

- a. *Provided the applicant with a checklist indicating the criteria for a complete application, and*
- b. *Notified the applicant in writing of the deficiencies of the submitted applications within forty-five (45) days of such application.*

25-1500.4.8 Waiver of Requirements.

*The **Authorized Committee of the** Planning Board may, upon specific written request of an applicant, consider and approve or deny requests for waiver of submission requirements or for any of the specific plat detail requirements as set forth in this Article. All such requests by an applicant shall cite the specific requirement by section number and shall state the specific reason for request of waiver. An application which ~~either~~ meets all submission and detail requirements will be considered complete. If a request for waiver is denied, the applicant must provide the required submissions. Such detailed submissions will be reviewed as provided for new applications and all time limits will recommence as for new applications.*

Information Technology

Due to the increasing reliance on technology and management of information and their importance to the permit and application process, the City should continue its commitment to improving this function as resources permit. Specific goals regarding citywide data processing operations are noted below.

- Implement and support information technology structures to directly increase productivity, high availability of electronic data, improved use of shared resources, standardization of hardware and software, and increased data security.
- Periodically update technology goals and objectives, and evaluate progress towards attainment of goals and objectives.
- Prepare feasibility studies and cost/benefit analyses to determine advisability of adopting data processing programs.

- Appraise adequacy and efficiency of current data processing systems and assist in developing the organizational structure and methods required for the existing, new, and/or expanded functions, analyze operational problems, and develop courses of action for more efficient utilization of staff and equipment.
- Prioritize technology initiatives based on organizational needs by utilizing a uniform approach and methodology, while implementing and addressing cross utilization of applications.
- Maximize technology investment by lowering the total cost of data processing ownership and increasing the return on investment by increasing productivity while ensuring proper data management and security.
- Provide technical planning and guidance for citywide computer operation consolidation, application conversion, computer upgrades/replacement, and operating system changes.
- Provide end-user technical support, software support, network microcomputer support, and maintenance contracting.