



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: October 8, 2013

RE: Stronger NJ Neighborhood and Community Revitalization Program
Streetscape Revitalization Program - Guide to Program Funds

Request:

The Members are requested to approve the recommendation for the Guide to Program Funds for the Streetscape Revitalization Program established as part of the Stronger NJ Neighborhood and Community Revitalization Program.

Background:

In April of 2013, the Members approved the creation of Stronger NJ Business Grants and later in June approved the creation of Stronger NJ Business Loans, in response to Superstorm Sandy which occurred in October of 2012. Following the Storm, President Obama declared all twenty-one counties of the state major disaster areas, which was followed by a commitment by the federal legislature and the President of \$60 billion to New Jersey and its neighboring states. Immediately after receiving federal regulations regarding the first tranche of this funding for New Jersey of \$1.83 billion, NJEDA launched its Grant Program for small businesses, followed by its Loan Program.

In August of 2013, the Members approved the creation of the Stronger NJ Neighborhood and Community Revitalization Program, the fourth and final program outlined in the State of New Jersey's Action Plan and allocated to the Authority. A total of \$75 million was allocated to this program, which may be used to fund several general activities – building development and public improvement projects, assisting Community Development Financial Institutions (CDFIs) in lending to businesses in the nine most impacted counties, and “Main Street” revitalization.

To assist in the rebuilding and to support the recovery of economic activity in commercial corridors in impacted towns and cities throughout the State, NJEDA will provide \$10 million to support “Main Street” revitalization projects. This segment will provide financial assistance to support improvements such as, but not limited to, streetscapes, lighting, sidewalks, façade enhancements, code-related and other physical upgrades to commercial areas in a minimum amount of \$125,000 and a maximum amount of \$1.5MM per project.

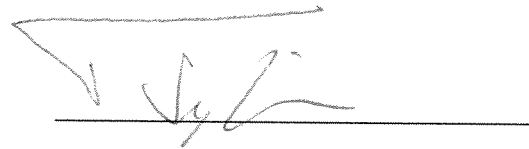
Applications will be accepted on a rolling basis and will be reviewed comparatively in regular review cycles. All complete applications will be reviewed by an evaluation committee comprised of NJEDA employees and scored. A minimum threshold score will be required for the project to proceed. Projects will be evaluated on the following criteria:

1. Sandy Impacted Communities - Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.
2. Readiness to Proceed and Succeed – Projects with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.
3. Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community as HUD defines low and moderate incomes by census tract. Should the NJEDA be in the position of considering more than one project that meets the program requirements and insufficient funding to assist all, NJEDA will consider primarily the community in which the project is located with the greater impact from Superstorm Sandy as the basis for determining which project to fund.
4. Experience - Applicant’s experience on successfully completing projects of similar size and scope.
5. Adherence with Plan – Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.
6. Extent to which the project will enhance the neighborhood and community at large as documented in the submission package.

The attached Guide to Program Funds outlines the general parameters and requirements of the Streetscape Revitalization Program.

Recommendation:

The Members are requested to: (1) approve the attached Streetscape Revitalization Program - Guide to Program Funds established as part of the Stronger NJ Neighborhood and Community Revitalization Program; (2) delegate authority to approve projects under the Streetscape Revitalization program to staff; and (3) extend the project completion date to December 31, 2015 for the Neighborhood and Community Revitalization Program, including the program elements approved by the Board at its August 27 Special Board Meeting.

A handwritten signature in black ink, appearing to be 'D. Sullivan', is written over a horizontal line. The signature is stylized and cursive.

Attachment:

Streetscape Revitalization Guide to Program Funds

Prepared by: Donna T. Sullivan

STRONGER NJ

NEIGHBORHOOD AND COMMUNITY REVITALIZATION

STREETSCAPE REVITALIZATION PROGRAM

GUIDE TO PROGRAM FUNDS

October 2013

STRONGER NJ
NEIGHBORHOOD AND COMMUNITY REVITALIZATION
STREETSCAPE REVITALIZATION PROGRAM
GUIDE TO PROGRAM FUNDS

PREFACE

To assist in the recovery from Superstorm Sandy, New Jersey received from the U.S. Department of Housing and Urban Development (HUD) an initial allocation of approximately \$1.8 billion of Community Development Block Grant Disaster Recovery (CDBG-DR) funds to be used to satisfy needs arising from Superstorm Sandy that are not satisfied by other funding sources. Governor Chris Christie tasked the New Jersey Economic Development Authority (NJEDA) to administer \$460 million of these funds to support the recovery of Superstorm Sandy impacted businesses. Of this total, \$75 million will fund the Neighborhood and Community Revitalization (NCR) program.

Because of the severe damage to the economies of affected areas, NJEDA will support activities tied to economic growth and revitalization. The NCR program will support the long-term recovery of small businesses and communities by funding economic revitalization priorities. It will also support projects that retain or hire new employees thus contributing to the State's economy.

The NCR program has three chief components: 1) Streetscape Revitalization, 2) Development and Public Improvement Projects, and 3) Community Development Financial Institution (CDFI) assistance. The following are the guidelines for the Streetscape Revitalization Program.

STREETSCAPE REVITALIZATION – Funding Allocation \$10 million

To assist in rebuilding and to support the recovery of economic activity in commercial corridors in impacted towns and cities throughout the State, NJEDA will provide financial assistance to support improvements such as, but not limited to, streetscapes, lighting, sidewalks, façade enhancements, and code-related and other physical upgrades to commercial areas.

In general, funding under the NCR program is intended to assist projects located throughout New Jersey, with specific focus on those located in one of the nine (9) “most impacted” counties as determined by HUD (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union). Applications for funding will be accepted on a rolling basis and considered for funding as they are ready, based on identified scoring criteria and the availability of funds. Per federal requirements, project applicants also must be able to demonstrate that the project applicant or project itself has been damaged by Superstorm Sandy, or within the 9 most impacted counties, that the project is contributing to the revitalization of an area damaged by Superstorm Sandy. As a federal requirement, projects also must serve Low or Moderate Income

(LMI) areas, create or maintain LMI jobs, remove slum or blight, or address an urgent need related to Superstorm Sandy.

Eligible Applicants

Eligible applicants include any Sandy-impacted New Jersey municipality with one or more established traditional business districts. A 'main street' district is defined as a commercial, neighborhood retail, or mixed-use zoned area with a concentration of older or historic buildings within its boundaries. Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.

Projects

Projects must be targeted within a commercial, neighborhood retail, or mixed-use district. Projects should result in a public benefit to the municipality as a result of the improvement project. The eligible uses of funds include, but are not limited to, the following:

- Building façade and building enhancement/revitalization efforts;
- Streetscape enhancement/revitalization efforts; and
- District wayfinding and image enhancements/revitalization efforts.

A project must be capable of expending the awarded funding under this program by December 31, 2015. Funds allocated to a revitalization project that do not meet the time requirement may be recaptured and may be reprogrammed by NJEDA. Projects must present a credible financial and development plan for completion and meet the criteria listed in the Threshold Criteria section below.

Product Descriptions and Terms

The following parameters and terms apply to the Streetscape Revitalization Program:

1) Grant award per project:

- a. minimum amount: \$125,000
- b. maximum amount: \$1.5 million

Assistance is subject to availability of funds.

2) Funds may be provided during the design and construction of a project or upon project completion. Federal environmental and historical reviews will be required for all funding provided under this program.

- 3) Funds will be disbursed upon the review and approval of a complete payment request which shall include invoices or other such substantiating documents to verify work completion for the requested disbursement. Costs already incurred between the date of Superstorm Sandy and the date of application may be reimbursed as “pre-application” expenses if they met the CDBG-DR funding requirements when they were incurred. Per HUD requirements, all amounts to be reimbursed must be cost reasonable and eligible.
- 4) All funds requested for a project must be applied for at the same time; partial funding requests are prohibited.
- 5) To the extent practicable, funds will be disbursed on a pro rata basis with other funding provided to the project.

Eligible Costs

Eligible costs for the program may include, but are not limited to, the following:

- Restoration, rehabilitation and improvement of building exteriors, parking and other public improvements.
- Construction or rehabilitation of public realm infrastructure, including but not limited to water, sewer, drainage, utilities, roads, sidewalks, streetscape, signage, landscaping, paving, greenspace, and other such enhancements that support the project.
- Pre-development costs such as architectural and engineering services, feasibility studies, appraisals, site preparation, construction management services, and other soft costs such as accounting, legal, and financing costs performed in support of the project.

Projects that include routine or deferred maintenance are not eligible under this program.

Criteria

Threshold Criteria - Projects must meet the following criteria.

- 1) Projects located in one of the nine (9) “most impacted” counties must demonstrate that either (i) they are contributing to the revitalization of an area damaged by Superstorm Sandy, or (ii) they have themselves been physically damaged by Superstorm Sandy. A project located outside the nine (9) counties must demonstrate that it has been physically damaged by Superstorm Sandy.
- 2) The project meets one of the following CDBG National Objectives:
 - a. Low and Moderate Income (LMI) Employment Creation
 - b. Low and Moderate Income Area Benefit where the area is primarily residential
 - c. Slum and Blight Reduction
 - d. Urgent Need

NOTE: “LMI” refers to the HUD definition of low and moderate incomes based upon median incomes by census tract; “Slum and Blight” refers to Areas in Need of Redevelopment or Rehabilitation, as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. and other conditions such as vacant property.

- 3) The project must provide revitalization to buildings or infrastructure in the project area.
- 4) The project must show the ability to disburse the awarded funding to the subrecipient’s contractors/subcontractors for the project by December 31, 2015.

Application Process

- 1) The project Application will be available on NJEDA’s website, www.njeda.com, which gathers specific information about the applicant and project responsive to program requirements. Once completed and submitted, NJEDA will review the project application and accompanying documentation to determine if it falls within the program parameters and is eligible. If the project is determined, at NJEDA’s sole discretion, to meet the parameters of the program, the project applicant will be notified and may be requested to provide additional information and submit further details regarding the project for review and funding consideration. Only applications that satisfy the program requirements and are being considered for funding will be brought to NJEDA’s Board for action.
- 2) Applications that evidence that they can be completed by December 31, 2015 will be accepted on a rolling basis until all funds are committed.
- 3) Applications that include any private ownership must include letters of support from the private parties that indicate that they will grant rights of access and comply with the requirements of the program.
- 4) All applications will be evaluated for completeness and accuracy.
- 5) Complete applications will be reviewed by the evaluation committee on a first completed, first served basis.
- 6) Incomplete applications will not be submitted for review to the evaluation committee. Applicants will have thirty (30) calendar days to submit all required documentation in order to be eligible for review.

Application Approval Process

All projects must undergo an application review that will include, but will not be limited to, the items listed below.

- 1) Financial feasibility for public improvement projects undertaken by local and county governments will be reviewed as part of the application approval process. For those potential projects where the costs of completion exceed costs that may be committed to the project under this program, the applicant must show a credible mechanism for funding the entire project through completion, including the identification of other funding sources addressing the funding gap.
- 2) The project schedule provided by the applicant must demonstrate the ability to disburse the awarded funding to the subrecipient's contractors/subcontractors for the project by the approved project completion date. This will be determined by the applicant's project development schedule which must show the project milestones durations to complete the project within the December 31, 2015 deadline.
- 3) The award sought under this program would not create a duplication of benefits with other recovery resources received as captured within the federal duplication of benefits analysis.
- 4) Costs associated with the project must be demonstrated to be reasonable and will undergo cost reasonableness testing. Estimated costs presented in the preliminary project budget will be evaluated. Actual costs incurred will be evaluated against the approved project budget prior to each disbursement of funds for the project
- 5) Applications will be reviewed comparatively in regular review cycles. All complete applications will be reviewed by an evaluation committee comprised of EDA employees and scored. A minimum threshold score will be required for the project to proceed.

Evaluation Criteria

Projects will be evaluated on the following criteria:

- 1) Sandy Impacted Communities - Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.
- 2) Readiness to Proceed and Succeed – Projects with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.

- 3) Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community as HUD defines low and moderate incomes by census tract. Should the NJEDA be in the position of considering more than one project that meets the program requirements and insufficient funding to assist all, NJEDA will consider primarily the community in which the project is located with the greater impact from Superstorm Sandy as the basis for determining which project to fund.
- 4) Experience - Applicant's experience on successfully completing projects of similar size and scope.
- 5) Adherence with Plan – Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.
- 6) Extent to which the project will enhance the neighborhood and community at large as documented in the submission package
- 7) Project applications will be evaluated against the stated criteria in order to ensure that available funding is provided to those projects which will have the greatest effect on Superstorm Sandy impacted communities.

Conditions

- 1) The project must undergo federally required environmental and/or historical reviews. (**Note:** All construction and ground-disturbing work must cease until the environmental review is completed.)
- 2) The subrecipient and its contractors/subcontractors must comply with federal Davis Bacon and State Prevailing Wage requirements for labor, as applicable.
- 3) The subrecipient and its contractors/subcontractors must comply with Affirmative Action requirements for labor, as applicable.
- 4) The subrecipient and its contractors/subcontractors shall take affirmative steps to assure that minority and women's businesses are used when possible as sources of supplies, equipment, construction, and services, as detailed in the federal requirements relating to minority and women's business enterprises.
- 5) The work to be performed under a contract awarded pursuant to this program will use funds provided by HUD and, as applicable, is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u.

- 6) As applicable, the subrecipient and its contractors/subcontractors must comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.
- 7) The subrecipient and its contractors/subcontractors must comply with all Federal and state statutes and/or regulations relating to nondiscrimination.
- 8) As applicable, the subrecipient and its contractors/subcontractors must assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- 9) As applicable, the subrecipient and its contractors/subcontractors must assist the awarding agency in assuring compliance with the National Environmental Protection Act, and specifically Part 85.
- 10) The subrecipient and its contractors/subcontractors must comply with all applicable requirements of all other State and Federal laws, executive orders, regulations, procurement requirements, and policies governing the program.
- 11) The subrecipient must comply with 24 CFR Part 85.36 when hiring a contractor or procuring goods and/or professional services.

Restrictions

- 1) Under federal regulations, casinos and gambling facilities are not eligible.
- 2) Under federal regulations, projects located in Coastal Barrier Resource Areas (CBRAs) are not eligible.
- 3) Applicants located within the 100-year flood plain who receive funding received in the form of a grant will be required to carry flood insurance for the life of the asset. This requirement applies to all applicants for this funding.
- 4) The municipality must be registered with Dun and Bradstreet, and have a DUNS number.

Appeal Process

An applicant may appeal NJEDA's decision by submitting in writing to NJEDA no later than 20 calendar days from the date of the denial, an explanation as to how the applicant has met the

program criteria. Such challenges are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. The CEO of NJEDA shall designate an employee of NJEDA to serve as a hearing officer for the challenge and to make a recommendation on the merits of the challenge to the Board according to the attached process.

Reporting Requirements

Approved projects will be subject to all reporting required by the CDBG-DR program, including, but not limited to: National Objectives, labor requirements, procurement requirements, and environmental requirements. To the extent other reporting requirements may apply, the entity will be made aware of those requirements and will have to provide information sufficient to satisfy those requirements.