



**Historic Property Reinvestment Program**  
**2022 Rehabilitation (Regular) Projects Application Round**  
**Questions & Answers Log – Last Updated 08/02/2022**

Question Number	Received Date	Question	Answer Date	Answer
1.	6/27/2022	We are obtaining our Tax Clearance document and need to put in info regarding the program. Required is the agency contact person, phone and email. Please advise what information we should put in this form?	6/28/2022	For obtaining your Tax Clearance Certificate, please use the following Authority contact information: Contact Person- C. Aidita Milsted Phone- 609-858-6700 Email- <a href="mailto:historictaxcredit@njeda.com">historictaxcredit@njeda.com</a>
2.	7/09/2022	<p>We are preparing our application for the Historic Property Reinvestment Program for ██████████ in ██████████. We have a rooftop HVAC unit that cannot be repaired and needs to be replaced. Since, the unit is not working we are experiencing high temperatures and humidity in the building. We are concerned this may cause damage to the property if we do not replace the unit.</p> <p>We are hoping to get an exception to the requirement of not doing any work before the application is approved and we would like to include this unit replacement in our approved work.</p> <p>Please let us know if this is OK.</p>	7/25/2022	<p>The Historic Property Reinvestment Program Rules do not allow for any construction to commence prior to execution of a rehabilitation agreement, with limited exceptions. N.J.A.C. 19:31-26.3. However, there is an expectation that property owners/lessees will perform necessary maintenance work required for proper building stewardship. The repair and / or replacement, if necessary, of existing HVAC units or components would constitute maintenance to a building provided that:</p> <ol style="list-style-type: none"> <li>1. Replacement of any component is performed in-kind (i.e., the same component(s) of equal size, installation location and methods are used); and</li> <li>2. The installation occurs without the introduction of any new, permanently installed equipment or components not already in place within the building; and</li> <li>3. The work will not result in any alterations to the building or it’s structural components.</li> </ol>

3.	7/17/2022	Is the requirement for a market and/or feasibility study only for projects that are retail real estate or have retail components? Our project is a rehab of a performance venue.	7/25/2022	As per the Historic Property Reinvestment Program Rules, the applicant must provide “a copy of a market and/or feasibility study for the proposed use of the property by an independent third party, which shall include their position regarding the marketability and underwriting of the revenue and expense components of the property for the duration of the commitment period.” N.J.A.C. 19:31-26.4. This application requirement applies to all projects regardless of proposed end use of the property.
4.	7/26/2022	Hello, I’m building my documents for this application. Is the cost of acquisition considered an eligible cost? Thank you.	7/27/2022	<p>The Historic Property Reinvestment Program Rules define Cost of Rehabilitation/Eligible Costs as “all costs associated with the structural components, as defined at 26 CFR 1.48-1(e)(2), within the qualified property or transformative property, and any soft costs associated with the rehabilitation project. Eligible costs shall not include any costs associated with an increase in total building volume” N.J.A.C. 19:31-26.2; therefore, land/property acquisition would not be considered an eligible cost.</p> <p>Some property acquisition costs can, however, be used as part of the program’s equity requirement. The definition of Equity within the Program Rules states, in part, “business entity-contributed capital that may consist of cash, deferred development fees, costs for project feasibility incurred within the 12 months prior to application, property or site value less any mortgages when the business entity owns the project site, and any other investment by the business entity in the project deemed acceptable by the Authority. Property or site value shall be valued at the lesser of: the purchase price, provided the property or site was purchased pursuant to an arm’s length transaction within 12 months of application; or the value as determined by a current appraisal acceptable to the Authority.” N.J.A.C. 19:31-26.2.</p>

5.	7/27/2022	Our renovation project will be supported by two main tenants. When you ask 'projected number of permanent employees at the rehabilitation project at completion' are you asking how many employees we (the landlord) will have, or how many projected employees our tenants will have on site? Thank you.	8/02/2022	The projected number of permanent employees at the rehabilitation project at completion shall include employees associated with the building, including but not limited to: landlord and their associated employees, building maintenance workers, etc., as well as the projected number of tenant's permanent employees, if known to the applicant at time of application.
6.	7/27/2022	Hello, do you have a list of approved companies who can provide the required feasibility study or is the applicant expected to select the independent company of their choice? Are the independent companies required to have any certifications? Are you expecting a summary of salient conclusions, or are you anticipating that all of the data, analysis, and conclusions are fully narrated? If you do not have a list of approved companies can you provide the names of a few independent companies who have created these studies for you in the past? Thank you.	8/02/2022	<p>The NJEDA does not have a list of approved companies that can provide a feasibility study. Furthermore, the NJEDA cannot provide any recommendations or lists of independent companies to perform this service for the applicant.</p> <p>As per the Historic Property Reinvestment Program's application requirements, the market and/or feasibility study for proposed use of the project site must be completed by an independent third party and must be dated within 90 days of the application.</p> <p>The required study components, as stated within the program's application are:</p> <ol style="list-style-type: none"> <li>1. The third party's position regarding the marketability and underwriting of the revenue and expense components of the proposed project for the duration of the rehabilitation period;</li> <li>2. Firm's advice and counsel regarding the marketability and underwriting of the revenue and expense components of the proposed project;</li> <li>3. Findings from the inspection of the site and surrounding neighborhood;</li> <li>4. Research of comparable retail properties;</li> <li>5. Analysis of the retail trade area demand;</li> <li>6. Consideration of general market factors and national trends in similar neighborhoods;</li> <li>7. A comprehensive overview of the potential for the retail development in the market at the site through a demand and supply analysis of the markets;</li> </ol>

				<ul style="list-style-type: none"> <li>8. A determination of the demand and achievable rents for retail space in the market;</li> <li>9. The recommended absorption/lease-up schedule for the retail component based on the potential market demand as well as recognition of current and proposed competitive supply;</li> <li>10. Positive features of the site as well as the challenging site influences should be addressed; and,</li> <li>11. New retail developments in the area should be listed as well as other demand drivers such as housing/population trends, cultural and entertainment projects in the vicinity, and the impact of the project on other residential and/or similar projects in the area (if any).</li> </ul>
7.	7/29/2022	I'm working to provide the required feasibility study, but I'm having a very difficult time finding someone to do it. I'm told they cost over \$25,000 based on the parameters you are asking for. Is this study required for regular projects or just transformative projects? If it is required for regular projects please see my question below and let me know the anticipated depth of this study. Thanks so much.	8/02/2022	A market/feasibility study is required regardless of project type, as per Program Rules 19:21-26.4.
8.	8/01/2022	<p>I am working on an application and I would like to obtain our Tax Clearance Certificate, as well as our NJ Tax ID number.</p> <p>Any assistance you might be able to provide is greatly appreciated, thank you!</p>	8/02/2022	<p>Directions for securing your Tax Clearance Certificate can be found <a href="#">here</a>.</p> <p>A Tax Clearance Certificate may be requested through the <a href="#">State of New Jersey's online Premier Business Services (PBS) portal</a>. Under the Tax &amp; Revenue Center, select Tax Services, then select Business Incentive Tax Clearance. If the applicant's account is in compliance with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through PBS.</p> <p>Information on obtaining a NJ Tax ID number can be found <a href="#">here</a>.</p>