



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** October 12, 2022

**SUBJECT:** Use of Coronavirus State and Local fiscal Recovery Funds Appropriation and Creation of the Activation, Revitalization, and Transformation (ART) Program.

Request:

The Members are asked to approve:

- I. Grant authority to the New Jersey Economic Development Authority (NJEDA) Chief Executive Officer (CEO) to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) whereby the NJEDA CEO will accept \$5,000,000 in funds from the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and agree to comply with federal requirements for the use of those funds;
- II. Utilize SLFRF funding provided to NJEDA by the New Jersey DCA to establish the ART Program, a one-time grant opportunity that will assist economic recovery in urban areas with mass transit that have faced economic harms from the reduction of commuters due to the COVID-19 pandemic. The ART Program will address these harms through two approaches: 1) The Real Estate Rehabilitation and Development product supports the new construction or the rehabilitation of vacant, underutilized, blighted and/or historic structures throughout the two cities identified and 2) The Public Space Activation product that supports the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining, and place-based public spaces; and
- III. Approve the MOU with the New Jersey Casino Reinvestment Development Authority (CRDA) whereby the NJEDA will accept \$5,000,000 in funds from the Coronavirus SLFRF and agree to comply with federal requirements for the use of SLFRF funds to expand the ART Program to Atlantic City.
- IV. Grant the NJEDA CEO delegated authority to interchange funding percentage on each product based on the demand of each product but maintaining the overall funding for each location.

## Background:

The American Rescue Plan, which was signed into law by President Joe Biden on March 11, 2021, is a \$1.9 trillion economic stimulus bill designed to rebuild and restart the American economy in the wake of the Coronavirus (COVID-19) public health emergency by investing in families, communities, and small businesses. Through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), the ARP delivers \$350 billion to state, local, and tribal governments to support their response to, and recovery from COVID-19.

Utilizing the funding provided through the SLFRF program, Governor Murphy recommended a \$10 million allocation for programs to reactivate and revitalize commercial corridors in the wake of COVID-19. Outlined in Governor Murphy's Fiscal Year 2023 Budget in Brief and approved by the New Jersey Joint Budget Oversight Committee (JBOC) last November, the New Jersey Economic Development Authority (NJEDA) and the Casino Reinvestment Development Authority (CRDA) have been appropriated \$5 million of SLFRF funds for creative placemaking and catalytic development in urban areas with mass transit that have faced economic harms from the reduction of commuters due to the COVID-19 pandemic. Through these initiatives, NJEDA and CRDA aim to ensure long-term growth and opportunity for municipalities impacted by COVID-19.

As the New Jersey economy continues to rebound in the wake of COVID-19, catalytic investment into commuter hub cities is essential for jumpstarting local economies and promoting strong, resilient, and equitable economic recoveries. Governor Murphy's Fiscal Year 2023 Budget furthers the Administration's efforts to build a stronger and fairer New Jersey economy by making new, impactful, and strategic investments in commuter hub cities with commercial corridors.

Commercial corridors play a vital role in both urban and rural geographies, serving as economic engines for communities by providing jobs that keep money circulating in the local economy, offer goods and services for residents, and power entrepreneurship as well as wealth building. Prior to the COVID-19 pandemic, economic shifts adversely impacted commercial corridors – resulting in uneven growth and high vacancy rates, especially in corridors located in low-income communities. The pandemic further amplified these economic hardships, as many of the businesses hit hardest by the pandemic were also the ones that populate and contribute to the dynamism of commercial corridors, with Black- and Brown-owned businesses proving to be exceptionally vulnerable. This, combined with the mass transition to remote work has resulted in decreased capacity, foot-traffic, and revenue across economically vital commercial corridors.<sup>1</sup>

To mitigate the economic impact of the COVID-19 pandemic, and to support the development and recovery of New Jersey's commercial corridor, the NJEDA's Activation, Revitalization, and Transformation (ART) Program will invest in the infrastructure, capacity building, and resources necessary to help select New Jersey municipalities recover from the pandemic and thrive for years to come.

While the pandemic impacted millions of American households and businesses, some of its most severe impacts fell on low income and underserved communities, where pre-existing disparities amplified the impact of the pandemic and where the most work remains to reach a full recovery. Utilizing funding provided from the ARP SLFRF, the ART program aims to provide financial support to municipalities that were disproportionately impacted by the COVID-19 pandemic, specifically urban areas who experienced revenue losses and economic harms due to decreased

commuter foot-traffic.<sup>2</sup> By providing funding to support catalytic real estate development and placemaking initiatives that increase foot-traffic, the ART program funding will help mitigate the harms caused in municipalities that were disproportionately impacted by the COVID-19 pandemic by increasing local spend and promoting economic stability in vital commercial corridors.

Program Details:

The Activation, Revitalization, and Transformation Program (“ART Program”) is a competitive grant program that will proactively deploy \$10 million in ARP SLFRF funding to address the impacts of COVID-19. As outlined by the language in Governor Murphy’s Fiscal Year 2023 Budget in Brief<sup>3</sup> and approved by the New Jersey Joint Budget Oversight Committee, five million dollars has been appropriated to the Casino Reinvestment Development Authority for projects in Atlantic City. The remaining five million dollars has been appropriated to NJEDA to support projects that mitigate the economic impact of

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<sup>1</sup> Bruce Katz, [Regenerating Commercial Corridors: A Proposal for States](#)

<sup>2</sup> SLFRF Final Rule (Page 12 and 16)

<sup>3</sup> [Governor Murphy Fiscal Year 2023 Budget in Brief](#)

COVID-19 in commuter hub cities. After the transition to a remote workforce in March of 2020, economic support for catalytic developments that increase and retain commuter foot-traffic is essential to support municipalities most impacted by workforce losses due to remote work. To maximize the impact of the other \$5 million funding, that funding will be dedicated to one single municipality selected due to the impact of COVID-19 public health emergency on the commuter base, that is, the municipality with the largest total difference between the residential population and the total daytime population. The municipality that meets this criterion is the City of Newark; as per the data collected in 2015 - 2019 U.S. Census American Community Survey and as analyzed by the New Jersey Department of Community Affairs. The analysis states that Newark has a total daytime population of 401,712; residential population of 281,054 with a daytime population increase of 120,658. This data shows the largest total daytime population increase of all New Jersey municipalities. This pilot program will have two products that can support these two cities through the new construction or the rehabilitation of vacant, underutilized, blighted and/or historic structures and the development of place-based infrastructure associated with traditional downtowns, social- zones, outdoor dining, and place-based public spaces.

The goal of the ART program is to partner with local entities to proactively address the negative economic impacts of the pandemic by investing in projects that create the environment necessary to attract and retain residents and talent, enable business creation and attractions, enhance downtown vitality, and help local governments avoid future budget crises.

Administered by the NJEDA, the ART program provides a total funding source of \$10 million SLFRF funding from two separate funding sources. This funding will support two products: one for Real Estate Rehabilitation and Development and one for Public Space Activation. Of the total funding (\$10 million) up to \$7 million is planned to support real estate development financing in the form of grants for real estate rehabilitation, new construction, and development costs associated to each project. This will be evenly split between the two eligible cities identified. This would allow for up to \$3.5 million awards for projects in Newark and \$3.5 million in awards for projects in Atlantic City. The remaining balance of \$3 million in grant funding will support public space activation initiatives again awards will be split evenly between to the two cities. So, this product can support up to \$1.5 million in awards to applicant in Newark and \$1.5 million in awards to applicants in Atlantic City.

#### Eligible Program Activities:

Under the ART Program's Real Estate Rehabilitation and Development grant product, up to seventy percent (70%) of total program funding (approximately \$3.5 M in each municipality) will support project-specific hard and soft costs that revitalize commercial corridors and incentivize catalytic development. These projects can include: the renovation or restoration of vacant buildings or square feet of vacant space within a partially occupied building, new construction of at least 10,000 square feet on an existing vacant lot, and costs associated with property acquisition. Mixed-use construction projects are eligible for funding under the ART program, however, demolition of a structure to create a vacant lot for future development is ineligible for ART program funding. Additionally, completely residential real estate development projects are ineligible for ART program funding.

Under the ART Program's Public Space Activation product, thirty percent (30%) of total program funding (approximately \$1.5 million in each municipality) can support the creation of public space activation initiatives, such as placemaking projects, public art installations, arts-based placemaking projects, signage, and streetscape improvements. Funding can also be utilized for support for small businesses through master leases in commercial corridors, and well as the purchase of parkettes, heaters, tents, and other equipment necessary for activation of outdoor

spaces to be used by the community or small businesses. Funding can also be granted to support the activation of public spaces through events, and operational costs for arts organizations to execute public space activation programs. Additionally, funding can be utilized for master leases and subleases in mixed-use and commercial properties for programmatic use, such as, incubator space, small business support, and events. As a requirement of receiving ART funding, all applicants that receive grant money for the creation of programs will be required to submit quarterly reports to demonstrate backend compliance to NJEDA.

Additionally, no more than \$5 million in funding will be utilized to support projects in Atlantic City, and no more than \$5 million in funding will be utilized to support projects in Newark. Delegated authority for funding will only be utilized to support demand between products (Real Estate and Public Space Activation) in Newark and Atlantic City, not between municipalities.

#### Eligible Applicants:

For the ART Program's Real Estate Rehabilitation and Development product, eligible applicants are: Non-profit economic development or redevelopment agencies that can demonstrate capacity to complete a development or redevelopment project or have experience with a project of a similar scope, Commercial property owner(s) that can demonstrate capacity to complete a development and redevelopment project or have experience with a project of a similar scope, Private or non-profit developers that can demonstrate capacity to complete a development and redevelopment project, or have experience with a project of a similar scope. Project must be a commercial or mixed-use.

No government instrumentalities may apply.

For ART's Public Space Activation product, eligible applicants are nonprofit organizations with a 501c (3) or 501c (19) status and that are created to support and revitalize communities.

Per federal program guidelines, all ART funds must be obligated by December 31, 2024, and must be expended by December 31, 2026, therefore project readiness is part of the ART program and all other funding sources must be secured. Entities are eligible to apply for one or both programs. Municipalities and government entities are not eligible to apply for either.

All applicants must certify at time of application of their existing project costs and their financial need.

In order for projects to be eligible for ART Program funding, all proposals must demonstrate how the proposed expenditure will mitigate the impact of COVID-19 in either Newark or Atlantic City. As part of the application, each project will be required to submit a narrative explicitly stating the harm that the proposed project will address, and how this expenditure will increase the economic resiliency and vitality of the commercial corridor as we transition from pandemic to endemic.

Commercial corridor will be all locations in the City of Atlantic City and The City Of Newark within one and one-half mile radius of an active New Jersey rail transit station.

#### Project Considerations:

Competitive projects for both the Real Estate Rehabilitation and Development product and the Public Space Activation product will clearly address the impacts of the COVID-19 public health emergency by responding to the following considerations:

- COVID Impact: Applicants must address how the proposal is responsive to the negative public health and/or economic impacts of the COVID-19 pandemic and complies with all the SLFRF requirements.
- Locations: Projects must be located in Atlantic City or Newark. All projects must support commercial corridors and be located in urban areas with mass transit.
- Capacity: The applicant must have experience implementing a project of a similar scope.
- Long-term impacts: Competitive applicants must articulate via the application process how the proposal will have a positive long-term impact in the community. This may include certain factors like renovating a facility to support small businesses, including how it will enable growth in population and tax revenue.
- Financial Viability: Must demonstrate long-term financial viability of the project and a time period for project completion through the submission of a pro forma.
- Local impact considerations: A project must demonstrate how it supports the goals and visions stated (if available) in either a local master plan, downtown or neighborhood plan, capital improvements plan and/or economic development strategy, along with the readiness of infrastructure.
- U.S. Treasury reporting: Ability to provide the U.S. Department of the Treasury with relevant reporting for all project expenditures exceeding \$1 million, specifically, all proposals must provide a narrative on how the project will address the impacts of COVID-19 in either Atlantic City or Newark, and why this capital expenditure is the most appropriate to address the economic harms caused by COVID.

#### Scoring:

Applications will be reviewed and scored by staff of the Authority formed as a scoring committee. The scoring committee may utilize the advice of subject matter experts from both the Authority and other New Jersey state departments, agencies, councils, offices, and boards to advise scoring decisions. Grants will be scored on a scale of 0-100 points, with award recommendations limited to applications that meet or exceed the minimum score requirement of 65 points. Applications will be evaluated and scored on each of the criteria below.

### **Real Estate Rehabilitation and Development – Total of 100 Points**

Criteria #1 Project Qualification: Scoring, 19 points are possible, and less than 17 points will be considered failure to demonstrate how the project meets federal qualification requirements, thus disqualifying the project from further review.

1. Does the proposed project mitigate a negative COVID-19 impact in either Atlantic City or Newark? (Yes or No. 5 points will be awarded to projects that answer “Yes” and address a negative impact of COVID-19 and 0 points will be awarded to projects that answer “No”. Applicants must answer “Yes” to move forward with scoring).
2. Provide a project narrative on how this proposed project addresses the negative impacts of COVID-19 on the local community (Atlantic City and Newark) and how this proposal best addresses the needs of the community. (1 to 12 points awarded).

3. Project is located in an Opportunity Zone Eligible Census Tract (2 points if located in an Opportunity Zone Eligible Census Tract and 0 if not).

Criteria #2 Background Information – Scoring, 5 points possible.

4. Describe the current status of the subject property. Describe the proposed project and end use. This should include, but not be limited to, the total grant amount being requested, funding sources, demonstration of gap and project total cost. Project information must include the following: total acreage of property, number of buildings, square footage, number of floors, historic designation (state, local, national), and condition of the property (vacant, dilapidated, etc.). (5 points if the applicant provides information on proposed project, end use, funding sources, financing gap, information on property acreage, improvements, designations, and condition; 3 points for missing one element related to information on property acreage, improvements, designations, and condition; 0 points if missing information on proposed project, end use, funding sources, financing gap)

Criteria #3 Project Readiness and Programmatic Considerations – Scoring, 76 points possible.

5. Demonstrated Site Control or Property Ownership i.e. Deed or Lease (5 Points if the applicant has demonstrated site control, lease, executed agreement of sale, or property ownership, 3 points if the applicant can explain how they will obtain site control or property access, 0 if otherwise).
6. State the status of local approvals project. (4 points for any necessary local zoning and site plan approvals, 2 points for complete local approvals of zoning or site plan, 0 points if neither.)
7. Describe all of the project's financing as it currently stands, including equity if applicable. (15 points for debt financing and equity fully committed [provides a commitment letter to demonstrate secured funding], 0 points if financing sources are unclear.)
8. Provide information on infrastructure readiness, including any public infrastructure or utility needs associated with the site and describes plan for addressing those needs. (3 points for a plan in place to provide infrastructure upgrades aligned with project schedule, zero points if the project site is significantly lacking in public infrastructure.)
9. Describe current engagement with architects or engineers. (3 points if engaged in A&E and provided renderings & floor plans, 2 points if either floor plans or renderings are provided but not both, 0 points otherwise).
10. Explain current engagement with a general contractor. (3 points if a contractor has been engaged and cost estimates dated within 3 months from engaged contractor are provided, 2 points if any estimates from contractors or architects/engineers are provided to support costs, 0 points otherwise.)

11. Please explain the project schedule and how the projects will be completed by December 31, 2026. (3 points for a well-articulated and realistic schedule, 2 points if the schedule is missing steps, zero points if incomplete).
12. Explain the development team’s level of similar project-specific experience, including resume of project manager(s), any previous projects that have been undertaken and the status of those projects. (5 points for experience represented on the team related to 3 similar projects, 3 points for two projects, 2 points for one project, disqualified if capacity is unclear.)
13. Explain how this proposal will have a catalytic, long-term impact on the community. Please address how this project will contribute to the dynamism of the neighborhood through events, small business support, and increased foot traffic. (12 points possible. 4 pts for adding to the success of the neighborhood through hosting monthly community events, 2 pts for participating in monthly community events outside of hosting, 3 pts for adding to the success of nearby businesses, 3 pts for detailed plans for engagement with local community groups, organizations, and small businesses to increase local foot traffic).
14. Describe how your project contributes to the community’s vision and priorities that addresses COVID response and community resilience. (14 points for a well-articulated and realistic response that demonstrates project connection to the community vision, 7 points if the project can demonstrate minor connection, zero points if project proposal cannot demonstrate connection).
15. Articulate why the project will not be successful without this grant. (6 points for clearly articulated financial need, zero points otherwise.)
16. Describe any other forms of tax credit equity or leverageable grants that the project has received (3 points for other funding sources, zero points otherwise.)

In the event of a tie, NJEDA would weigh the following questions as a tiebreaker: Questions 1 and 2 from “Project Qualifications” and Question 7 from “Project Readiness and Programmatic Considerations”.

### **Public Space Activation – Total of 100 Points**

Criteria #1 Project Qualification: Scoring, 19 points are possible, and less than 17 points will be considered failure to demonstrate how the project meets federal qualification requirements, thus disqualifying the project from further review.

1. Does the proposed project mitigate a negative COVID-19 impact in either Atlantic City or Newark? (Yes or No. 5 points will be awarded to projects that answer “Yes” and address a negative impact of COVID-19 and 0 points will be awarded to projects that answer “No”. Applicants must answer “Yes” to move forward with scoring).
2. Provide a project narrative on how this proposed project addresses the negative impacts of COVID-19 on the local community (Atlantic City and Newark) and how this proposal best addresses the needs of the community? (1 to 12 points awarded).



3. Project is located in an Opportunity Zone Eligible Census Tract (2 points if located in an Opportunity Zone Eligible Census Tract and 0 if not).

Criteria #2 Background Information – Scoring, 5 points are possible.

4. Describe the proposed project. Provide a map with your application that identifies project types and total expenses. This analysis should include, but not be limited to, the total grant amount seeking and total cost of proposed capital expenditure. (5 points if all elements are present, 3 points missing one element, 0 points missing more than 1 element)

Criteria #3 Project Readiness and Programmatic Considerations – Scoring, 76 points possible.

5. Describe the status of the project, including cost estimates (4 Points for final plans and cost estimates, 2 points for preliminary plans and estimates, 0 if otherwise).
6. Describe site use and access. Does the entity have the current ability to use, or obtain permission to use, the site for the purposes described in the project (3 Points if the applicant has demonstrated site use and access, 0 if otherwise.)
7. Provide and describe how the project will benefit nearby businesses (5 Points if the applicant has demonstrated benefit to nearby businesses, 3 if there is partial benefit, 0 if otherwise.)
8. Please explain the project schedule and how the projects will be completed before December 31 of 2026, as funds need to be expended by that date. (4 points for a well-articulated schedule that identifies dates and where financing commitments align.) Explain the applicant's project team's level of similar project-specific experience, including any previous projects requiring construction monitoring and federal reporting that have been undertaken and the status of those projects. (6 points for two projects completed, 4 points for one project completed and no relevant examples will result in automatic disqualification.)
9. Identify and provide evidence for other sources of funds for this project, including the type and. (8 pts: applicant is utilizing other state funds 5 pts: non-state funds secured but only source of funds is applicant 5 pts: at least 1 source other than applicant but lacks evidence that all non-ART funds are secured else 0 pts)
10. Describe how the use of public space in the area has changed during the pandemic and how this project will have a positive long-term impact on the community. Address how the project will grow the tax base, activate vacant or underutilized space, and contribute to the resiliency of the community. (15 points possible – 5 pts if activating vacant or underutilized space, 5 pts if the project will contribute to the success of businesses located within 1/2 mile, and 5 pts if the project includes innovative low-impact or green construction practices.)

11. Describe how your project contributes to the community's vision and priorities that addresses COVID response and community resilience. (15 points for a well-articulated and realistic response that demonstrates project connection to the community vision, 6 points if the project can demonstrate minor connection, zero points if project proposal cannot demonstrate connection)
12. Describe how this project will be maintained long-term. Identify maintenance plan, funding, the organization that will be responsible, and elaborate on any other anticipated tasks associated with the maintenance of the final product. (8 points for a maintenance budget with seasonal maintenance tasks and source of funding for maintenance identified, zero points otherwise.)
13. Describe how this public space will be programmed for use by businesses, for recreation, and accessibility for all. Identify how accessibility will be incorporated throughout the entire project. (8 points for a plan that includes public space activation for individuals of all abilities. 5 points for a plan that includes partially programable space, and zero points for plans that do not account for all levels of accessibility.)

In the event of a tie, NJEDA would weigh the following questions as a tiebreaker: Questions 1 and 3 from "Project Qualifications" and Question 7 from "Project Readiness and Programmatic Considerations".

#### Proposed Program Funding:

The ART Program will be funded through the American Rescue Plan (Pub.L. 117-2) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding approved by the New Jersey Joint Budget Oversight Committee (JBOC) in November 2021 and included in the enacted 2022-23 Fiscal Year Budget. As CRDA is transferring its \$5 million to EDA, staff requests approval from the Board for the attached MOU with CRDA, which CRDA staff has reviewed and anticipates presenting to the CRDA Board on October 18, 2022. Due to ART's appropriation through the JBOC process, a 2.5% administrative fee will come off of the \$5 million provided to NJEDA by CRDA, resulting in a total programmatic funding pool of \$4,875,000.

Under federal guidelines, all ART Program funding must be obligated by December 31, 2024, and must be expended by December 31, 2026. Additionally, as required by SLFRF, all applicants will be reviewed for duplication of benefits.

The minimum award request for both the Real Estate Rehabilitation and Development product and the Public Space Activation product is \$250,000. The maximum award for the Real Estate Rehabilitation product is \$3,500,000 and the maximum award for the Public Space product is \$1,500,000.

#### Board Approval:

The ART Program will be a competitive grant program with applications due by a set deadline.

The Authority will perform a review of applications after the closing of the application period. Applicants will be given five business days to cure any deficiencies. If at the end of the five-day period, the applications are still incomplete, they will be notified the application will not be advancing to be scored and will be withdrawn as incomplete.

At the sole discretion of the Authority, staff may ask for clarification of the information included on the application including but not limited to responses, documentation, and attachments.

Check for good standing will be completed with the Department of Labor and Department of Environmental Protection. Only applicants in good standing may proceed to Board approval. Applicants must also provide a valid Tax Clearance certificate from Division of Taxation, NJ Department of Treasury. Applicants will also need to successfully complete a Federal SAMS review.

Applications will be evaluated and scored on a competitive basis. Applications that meet the minimum score requirement of 65 out of the eligible 100 points will be eligible for ART Program funding. Applications will be recommended to the Board for award approval starting with this highest scored application until all available ART Program funding is awarded.

Applications will be accepted during a 60 business day window publicized in the Notice of Funding Availability. Delegated authority is requested to allow the Chief Executive Officer to draw down the funding of \$5,000,000 from ARP SLFRF for the ART program from the New Jersey DCA.

The ART Program awards will proceed to Board for all approvals and for declinations for discretionary reasons. Any applicant unable to provide a full application will not proceed to scoring. As a pilot program, decision based on non-discretionary reasons are subject to the existing delegated authority. Accordingly, CEO will delegate to the appropriate staff on all appeal decisions for non- discretionary reasons.

Proposed Budget Allocation:

Supported through American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and outlined in Governor Murphy's Fiscal Year 2023 Budget in Brief (BIB) the ART program allocates \$5 million in funding for projects in Atlantic City and \$5 million in funding for projects in Newark.

Of that funding, up to 70% may be used on construction projects in each selected municipality based on applications received, and the remaining funding will be used for marketing and placemaking initiatives in each selected municipality.

Based on application volume, NJEDA staff is requesting delegated authority for the NJEDA CEO to adjust these percentages to move excess funding from the Public Space Activation product to the Real Estate Development and Rehabilitation product, and excess funding from the Real Estate Development and Rehabilitation product to the Public Space Activation product.

## Disbursements:

NJEDA staff will make up a scoring committee to score each complete application for each product. Staff will recommend to the Board for approval applicants in order of scoring that can be fully funded based on the applicant's Funding Request Certification and staff's review.

If the next ranked applicant (that scored above the minimum score) cannot be fully funded, NJEDA staff will notify that applicant of the available amount that can be awarded. The applicant will have 15 business days from the date of the notice to accept the amount of the grant and to provide proof of an additional funding to ensure the project can still be completed by using a letter of intent, commitment letter, bank statements, or any other means. If the applicant decides not to accept the amount available or does not identify additional funding to complete the project, the application will be incomplete and deemed withdrawn by NJEDA. The application may also be denied if the additional funding does not meet the product requirement for such funding. If no award is given to that applicant, NJEDA will proceed with the same process to the next highest scored application (above the minimum score). Throughout this process, the applicant will not be allowed to change its project, as that would impact scoring.

NJEDA will disburse grants only to the Applicant. The Applicant shall be responsible for assuring the compliance of any strategic partners and/or subcontractors with all terms and conditions of this application - and assumes the sole and absolute responsibility for any payments due to any municipal, county, or strategic partners.

However, due requirements established by the United States Treasury Department SLFRF Final Rule, NJEDA must receive a minimum of 3 applications that must be received in order to start the process towards application evaluation, scoring, and approval. All successful Applicants must follow a uniform disbursement. schedule. Applicants are required to submit progress reports in order to receive grant disbursements. At a minimum, the progress reports must include:

- Summary of funds expended to date
- Narrative detailing milestones achieved and overall progress toward completion of final plan
- Proof of prevailing wage/Affirmative Action compliance

Under the Real Estate Rehabilitation and Development program, applicants will receive one disbursement of 50% of the total award amount upon 50% of project completion as demonstrated through their AIA document. Second disbursement will occur when the applicant can provide a Certificate of Occupancy and proof of completion.

Under the Public Space Activation Program, the Applicant will receive the full grant amount upon execution of grant agreement, and then will be required to submit quarterly reporting until project completion. NJEDA will provide the applicant with the report, and they will complete the required documentation indicating proper use of funds.

### Appeals:

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 days but no longer than 10 days). Chief Legal & Strategic Affairs Officer or designee will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued by the Board or, if under delegated authority, by the CEO or their designee

### Fees:

Under guidelines established by the American Rescue Plan SLFRF Final Rules, NJEDA administrative fees are capped at a maximum of 2.5%.

Additionally, the NJEDA will charge an application fee of \$1,000 to all entities applying for funding through the Real Estate Rehabilitation and Development program, and \$1,000 to all entities applying for funding through the Public Space Activation program.

Not-for-profit entities can apply for fee waivers for undue hardships. Fee waivers for Undue hardship can be demonstrated through the nonprofit's most recent 990 form if Revenue Less Expenses (line 19) is less than or equal to \$500,000 and Net Assets/Fund Balances (line 22) is less than or equal to \$1,000,000.

### Recommendation:

The Members are requested to approve:

- I. Grant authority to the New Jersey Economic Development Authority (NJEDA) Chief Executive Officer (CEO) to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) whereby the NJEDA CEO will accept \$5,000,000 in funds from the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and agree to comply with federal requirements for the use of those funds;
- II. Utilize SLFRF funding provided to NJEDA by the New Jersey DCA to establish the ART Program, a one-time grant opportunity that will assist economic recovery in urban areas with mass transit that have faced economic harms from the reduction of commuters due to the COVID-19 pandemic. The ART Program will address these harms through two approaches: 1) The Real Estate Rehabilitation and Development product supports the new construction or the rehabilitation of vacant, underutilized, blighted and/or historic structures throughout the two cities identified and 2) The Public Space Activation product that supports the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining, and place-based public spaces; and

- III. Approve the MOU with the New Jersey Casino Reinvestment Development Authority (CRDA) whereby the NJEDA will accept \$5,000,000 in funds from the Coronavirus SLFRF and agree to comply with federal requirements for the use of SLFRF funds to expand the ART Program to Atlantic City.
- IV. Grant the NJEDA CEO delegated authority to interchange funding percentage on each product based on the demand of each product but maintaining the overall funding for each location.



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Tim Sullivan, CEO

Prepared by: Emma Corrado, John Costello, and Christina Fuentes

Attachments:

Exhibit A – Project Specifications

Exhibit B – Scoring Specifications