

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Notice of Funding Availability
Activation, Revitalization, and Transformation Program Application

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications for the Activation, Revitalization, and Transformation Program on Tuesday, May 30th, 2023, at 10:00AM EST. Applications will be accepted during a competitive window and will close on Tuesday, August 22nd, 2023 at 5PM EST. A non-refundable application fee of \$1,000 is due at time of application for each product. Not-for-profit entities may apply for an undue hardship fee waiver. Undue hardship fee waiver 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.

The application can be accessed at [Activation, Revitalization, and Transformation \(ART\) Program - NJEDA](#).

Purpose:

The Activation, Revitalization, and Transformation Program (“ART Program”) is a competitive grant program that will proactively deploy \$10 million in American Rescue Plan State and Local Fiscal Recovery (SLFRF) Funds to address the impacts of COVID-19.

Administered by the NJEDA, the ART Program provides a total funding source of \$10 million SLFRF funding from two separate funding sources. The funding will be split between two eligible cities, Atlantic City and Newark.

Background:

As outlined by Governor Murphy’s Fiscal Year 2023 Budget in Brief, 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 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. The remaining \$5 million will be dedicated to one single municipality most impacted by the COVID-19 public health emergency on the commuter base. The analysis looked at the municipality with the largest total difference between the residential population and the total daytime population. The City of Newark meets this criterion 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.

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.

Funding:

The approved purpose of the ART Program’s SLFRF funds is Revenue Replacement (Category 6) in accordance with U.S. Treasury’s Final Rule.

This pilot program will support two products for both cities, Atlantic City and Newark: (1) Real Estate Rehabilitation and Development and (2) Public Space Activation. Funding can be fungible between the two products based on demand of each product. 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. All applicants that receive ART Program funding are required to submit quarterly reports to demonstrate compliance to NJEDA.

Pursuant to federal program guidelines, all ART funds must be obligated by December 31, 2024, and must be expended by December 31, 2026.

Two ART Program Products:

Product 1) - Real Estate Rehabilitation and Development

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

Product 2) - Public Space Activation

Under the ART Program’s Public Space Activation grant product, thirty percent (30%) of total program funding (approximately \$1.5 million in each municipality) can support the creation of public space activation initiatives.

Eligibility

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

Projects must be located in either Atlantic City or Newark and within eligible areas within each city.

●—Atlantic City- Atlantic City projects in commercial corridor is defined as a project

located in the boundaries of the City of Atlantic City that is within 1 ½ (1.5) miles radius of an active NJ Transit rail station,

- Newark- Newark projects in a commercial corridor is defined as a project located in the boundaries of the City of Newark that is within 1½ (1.5) miles radius of an active NJ Transit rail station

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 to their existing project costs and their financial need.

Product (1) - Real Estate Rehabilitation and Development Product Eligibility:

Eligible Applicants:

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.

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.

Eligible Project Activities:

In order to be eligible for ART funding, all capital construction projects must have a total cost of less than \$10M. These projects can include:

- 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.
- Acquisition costs.
- Eligible projects can include mixed- used construction.

Ineligible activities include:

- Demolition of a structure to create a vacant lot for future development.
- Projects that are 100% residential construction.

Product (2) - Public Space Activation Product Eligibility:

Eligible Applicants:

Nonprofit organizations with a 501c(3) or 501c(19) status including but not limited to, Economic Development Corporations, Community Development Corporations, Nonprofit Economic Development or Redevelopment Agencies, Business Improvement Districts and City Improvement Districts and Art Organizations.

Eligible Project Activities:

Funding is expected to support the creation of public space activation initiatives, such as:

- Placemaking projects, public art installations, signage, and streetscape improvements
- Activation of public spaces through events
- Operating costs for arts organizations
- Master/subleases for programmatic use (including incubator space, small business support, and events) in mixed use and commercial properties only

Project Considerations:

Competitive projects for both Product (1) and (2) 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

NJEDA is seeking 3 applications to evaluate. However, the Authority reserves the right to approve one grant award. 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; and
- Proof of State regulatory compliance for Prevailing Wage pursuant to N.J.A.C. 19:30-4.2 and Affirmative Action pursuant to N.J.A.C. 19:30-3.3.

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 found in Exhibit B.

Grant award recommendations will be made based on the highest scored applications received after the competitive application window closes. Awards will be recommended in order until the funding pool is fully utilized.

NJEDA staff will make up a scoring committee to score each complete application for each product. Staff will recommend applicants for approval to the Board based upon 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.

The full scoring criteria and available points can be viewed here: <https://www.njeda.com/wp-content/uploads/2022/10/ART-Scoring-Specifications.pdf>

Grant Disbursements:

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

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 contract documents such as their AIA (American Institute of Architects)

documents. 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 the 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.

Application Process:

The ART Program will be a competitive grant program accepting applications during a 60-business day window. Applicants may apply for both products at the same time if their project is eligible.

The Authority will perform a review of applications after the closing of the application period for completeness. Applicants will be given five business days to cure any deficiencies. If the applicant is non-responsive, then at the end of the five-day period, the applications will be deemed withdrawn. At the sole discretion of the Authority, staff may ask for clarification of the application information, including but not limited to responses, documentation, and attachments. Once an application is deemed complete, it will be reviewed for eligibility.

Fees:

NJEDA will charge applicants the following fees:

- NJEDA will charge a non-refundable application fee of \$1,000 to all entities applying for funding through the Real Estate Rehabilitation and Development product, and \$1,000 to all entities applying for funding through the Public Space Activation product.
- Not-for-profit entities may apply for an undue hardship fee waiver at time of application. 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.

Additional information on ART may be found at [Activation, Revitalization, and Transformation \(ART\) Program - NJEDA](#).

Questions concerning this Notice of Funding Availability should be submitted via email to ART@njeda.gov.