



July 7th, 2023

To Whom it May Concern,

You are receiving this letter because you currently have applied to or are considering applying to the New Jersey Aspire Program (“Program”). On July 6th, 2023, A5644/S4023 (“New Legislation”) was signed into law. A courtesy copy of the New Legislation can be found on the Authority’s website at www.njeda.gov/aspire. This new law modifies the Program in various ways, including the following:

1. Amended Project Caps: Some of the maximum amounts and maximum percentages of total project costs that limit the maximum total amount of tax credits that a developer may receive for a redevelopment project were increased. These can be found in Sections 7 and 9 of the New Legislation.
2. Amended Return on Investment: A definition for “reasonable and appropriate return on investment” has been added. This definition amends the definition in the Program rules for projects that utilize federal low-income housing tax credits (“LIHTCs”) and also generate return on equity. This can be found in Section 1 of the New Legislation.
3. New Affordability Controls: The New Jersey Economic Development Authority (“Authority”) has the authority to adopt affordability controls for residential units constructed for occupancy by low- and moderate-income households, including, but not limited to, projects that utilize LIHTCs. With certain stated exceptions, the Authority’s affordability controls shall, at a minimum, be consistent with the existing affordability controls adopted pursuant to the Fair Housing Act, P.L. 1985, c. 222. This can be found in Sections 2, 3, and 9 of the New Legislation.
4. Application Withdrawal: An applicant with a complete application pending approval by the Authority as of July 6th, 2023 may withdraw the application prior to the Authority’s approval or denial and receive a refund of all application fees paid by the applicant. This can be found in Section 12 of the New Legislation.

Below are the potential paths an Aspire application may take under the New Legislation.

Option 1: If you currently have a complete application on file with the Authority and wish to proceed under the Program statutes and rules in effect immediately before July 6th, 2023 (“Prior Rules and Statute”), you do not have to take any action. Authority Staff will continue to process your application as normal. Courtesy copies of the Prior Rules and Statute can be found on the Authority’s website at www.njeda.gov/aspire.

Option 2: If, for a residential project, you would like to opt for the Amended Project Caps and rely on the Prior Rules and Statute, you must complete the following on or before November 4th, 2023: submit a complete application with all required information to the Authority, notify the Authority in writing prior to the Authority's action on the application that you seek to proceed under this option, and obtain all applicable approvals under the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) for the project. Projects proceeding under this option shall be reviewed and considered for approval based on the Prior Rules and Statutes except for the Amended Project Caps and the Amended Return on Investment but shall not be subject to the Authority's New Affordability Controls.

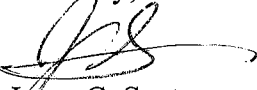
Option 3: The New Legislation and the rules that the Authority will promulgate to implement the New Legislation apply to the following projects:

1. Completed applications received after November 4th, 2023. If you submitted a complete application prior to July 6th, 2023 that is still pending, the New Legislation allows you to withdraw before the Authority's approval or denial with a return of all application fees; and
2. Completed applications received on or after July 6th, 2023 and on or before November 4th, 2023 that either do not elect Option 2 or do not obtain all applicable approvals under the Municipal Land Use Law.

If you wish to proceed under Option 2 and would like a courtesy informal feedback on the completeness of the application, we strongly encourage you to apply and pay the application fee by August 28th, 2023. Authority staff will review applications as they come in for completeness, but we cannot guarantee that all applicants will receive such courtesy informal feedback. All applicants submitting an application that elects Option 2 shall be notified regarding the completeness of their respective application. If a completed application electing Option 2 is not submitted with the required information on or before November 4th, 2023, the application will not be able to proceed under Option 2.

If you have any questions, please reach out to Jorge Santos, Chief Real Estate Development Officer, or Dan Jennings, Executive Vice President Real Estate Development Programs.

Sincerely,



Jorge C. Santos
Chief Real Estate Development Officer

CC: Dan Jennings, EVP, Real Estate Development Programs