



New Jersey Economic Development Authority
Local Property Acquisition Grant Pilot Program
Notice of Funding Availability

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications for the pilot Local Property Acquisition Grant Program (“Program”) on January 18, 2024 at 10:00am EST. Applications must be submitted by May 20, 2024 at 5:00pm. The application can be accessed at: [Local Property Acquisition Grant Program - NJEDA](#).

The Program will make available \$24 million in grant funding through a competitive application process to eligible applicants for acquisition in order to facilitate and enable future redevelopment of properties and in support of local or regional economic development plans and priorities.

Applications will be reviewed on a competitive basis. A \$1,000 application fee is required at the time of application.

Overview

The Program is designed to address a significant barrier to undertaking and implementing local development and redevelopment projects. Program Grants will be provided to municipalities, municipal entities, counties, county entities, and/or not-for-profit local economic and community development entities for the acquisition of a vacant site, building, facility, or collection of properties (“Project”). The grant funding would help facilitate and enable the future redevelopment of the property(ies) within a defined time period and in support of local or regional economic development plans and priorities (referred to below as the “Supplemental Use”).

In order to provide grant funding to support projects in several municipalities, a maximum of one Project may be funded per product category, as described below (“Acquisitions for Strategic Public Use” or “Acquisitions for Future Development Projects”), that are located within a municipality. However, a maximum of two Projects may be funded per product category that are located within either a Transitional Aid Community (as determined by the Division of Local Government Services in the Department of Community Affairs) or a Government Restricted Municipality (as defined in Sections 55 and 69 of the Economic Recovery Act of 2020) may be funded.

The Program has a budget of \$24 million to support eligible local government entities and not-for-profit, local economic and community development entities with the acquisition of property(ies) to further redevelopment efforts. Funding for the program is provided by Governor Murphy’s Fiscal Year 2023 Appropriations Act, which allocates significant State funding for numerous strategic economic development investments to support key industries, advance the innovation economy, continue to bolster recovery, and spur statewide growth.

Program Details

The Program will support two types of products:

- (1) Approximately \$3 million will be available for Acquisitions for Strategic Public Use Projects, and
- (2) Approximately \$21 million will be available for Acquisitions for Future Development Projects.

1. Acquisitions for Strategic Public Use Projects Product

Property acquisition(s) for the the proposed subsequent Strategic Public Use project must foster or support existing, ongoing, or planned development as part of an overall plan for property improvements and increased public access in the area proximate to the property.

Eligible Supplemental Uses must be publicly accessible spaces for the community which may include pedestrian plazas, pocket-parks, community parks, community gardens, public walkway/access, public parking lots/garages, or other similar public spaces.

Ineligible types of Supplemental Uses include public infrastructure projects, such as for transportation, energy, communication, water, wastewater, or general public works.

The minimum grant funding request is \$50,000 and the maximum requested amount is \$1,000,000.

2. Acquisitions for Future Development Projects Product

Property acquisition(s) and the proposed subsequent Future Development Project must support planned development/redevelopment efforts in the area proximate to the Property to be acquired.

Eligible Supplemental Uses for Future Development Projects (substantial rehabilitation and/or new construction) are limited to:

- Mixed-use developments; any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329.9(b)
- Transit Oriented Development
- Cultural, Arts, Performing Arts
- Commercial (including office and/or supermarkets/grocery stores)
- Manufacturing/Industrial
- Research/Laboratory

Supplemental Uses for Future Development Projects consisting solely of warehouse, residential, or primarily for government/educational uses are **ineligible** for funding.

The minimum grant funding request is \$50,000 and the maximum requested amount is \$4,000,000.

Note: As part of the application process, applicants must describe in detail the Supplemental Use based on the parameters for the respective Strategic Public Use and/or the Future Development Projects product which they apply to. The restrictions and compliance monitoring with regard to the proposed use are described below.

The Program is intended to provide funding for acquisitions of properties that are then developed/redeveloped in connection with or in support of local planning efforts and cannot be used for land banking of properties. Therefore, property acquisitions are anticipated to occur within 18 months of the grant funding award and the future Supplemental Use would typically be undertaken and completed within three years following the property acquisition. The required deadlines for the property acquisition and commencement and completion of the Supplemental Use project will be based on the applicant's schedule.

Eligibility

Eligible applicants for the Program are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.

To be eligible for the Program, the applicant must:

- Be in substantial good standing with the NJ Department of Labor and Workforce Development and the NJ Department of Environmental Protection at the time of application.
- Provide a current tax clearance certificate prior to approval to demonstrate being in substantial good standing with the NJ Division of Taxation prior to approval, unless the applicant is not required to register with the NJ Division of Taxation.

Eligible Uses

Grant funding can only be used for prospective real estate acquisition and related closing costs of the Project specifically approved based on the application, Authority review, and the grant agreement. Grant funding can be used for closing costs that are typically included as part of a closing settlement statement and related transaction legal costs. Grant funding **cannot** be used for due diligence-related costs.

Properties already purchased or acquired are not eligible for reimbursement through this Program. Grant funding **cannot be** used for purchase of government-owned property.

Grant Amounts

The minimum grant funding is \$50,000 per Project. The maximum grant funding for acquisitions for Strategic Public Use projects is \$1,000,000.

The maximum grant funding for acquisitions for Future Development projects is \$4,000,000.

Grant funding may not exceed 80% of the property appraised value plus closing costs typically included as part of a settlement statement and related transaction legal costs. However, for projects located within either a Transitional Aid Community or a Government Restricted Municipality, Grant funding may account for 100% of the property appraised value plus closing costs typically included as part of a settlement statement and related transaction legal costs.

No applicant may receive more than two grant awards.

Application Submission and Review Process (including Scoring)

Applications for the Program will not be accepted after the deadline of May 20, 2024 at 5:00pm. To apply, an applicant must register, or log into the online application portal, complete all required application questions fully, and upload all required PDF document attachments. NJEDA staff will review all applications for completeness. At the sole discretion of the Authority, NJEDA staff may ask for any necessary clarifications to the application, including but not limited to responses, documentation, and attachments. The applicants will have 10 business days to respond to any clarification requests. If at the end of the cure period, the applicant is non-responsive, the application will not be advancing to be scored and will be deemed withdrawn.

Each application must contain the following:

- Evidence of site control or a path to site control (i.e. some level of right to acquire the property/ies) which may include letter of intent, purchase offer with purchase terms, purchase and sale agreement contingent on funding award, any/all of which must be fully signed by both seller and purchaser/applicant; or in rare situations may include an accepted settlement agreement as part of approved eminent domain proceedings and/or other final decision of an administrative or judicial governmental process resulting in the transfer of title or possession
- Municipal Letter of Support
- Project overview – description of overall proposal for the acquisition and the proposed future Supplemental Use, describing the property/building(s) (i.e. vacant, abandoned, code violations, recent uses, any local, state, or federal historic designation/eligibility, brownfield site, location within designated redevelopment area, etc.); current or planned development/redevelopment efforts in the area proximate to the Property; need for and benefits of the proposal, anticipated economic and local impact, consistency with state and local economic development objectives, projected jobs creation, anticipated local impacts including possible projected increase in pedestrian traffic and public access;
- Project location – description of neighborhood and surrounding area, whether an incentive area, walkable area, brownfields or historic designation, other development occurring near/surrounding the proposed project;
- Narrative (and documents as may be applicable) describing the viability/feasibility of the proposed acquisition and development including current zoning status, local supports, identification of possible complexities or challenges with proceeding, and a preliminary project budget and funding plan;
- Project development timeline/implementation schedule indicating readiness to proceed for both the acquisition of the property/ies and for the future supplemental use;
- Applicant's organizational documentation and/or authorizing documentation;
- Narrative and documentation of experience and capacity to undertake and complete the property acquisition and the proposed supplemental use;
- Project Budget including property(ies) acquisition price(s) and closing costs and proposed source and status of other funding for the property acquisition.

Note: Project viability and readiness to proceed/timelines are scoring factors and considerations. Applicants should provide as much detail as possible regarding the steps involved and projected timeline for the initial property acquisition as well as for undertaking and completing the future Supplemental Use project, if Grant funds are awarded.

Applications deemed complete will be reviewed and scored by an evaluation scoring committee that will be comprised of NJEDA staff. Applications will be scored on a scale of 0 - 100 points. based on the following criteria:

- Overall project concept for Property Acquisition and the proposed Supplemental Use of the property (up to 35 points)
- Location and Local Impact (up to 20 points)
- Experience & capacity of applicant (up to 20 points)
- Readiness to proceed with Property Acquisition (up to 10 points)
- Viability of the proposed Supplemental Use project and reasonableness of the proposed timeline for the Supplemental Use project (up to 15 points)

Applications that meet a minimum score of 65 will be eligible to be recommended to the NJEDA Board for grant funding approval, starting with the highest scored application until all program funding is awarded. If all program funds are not awarded during the initial application period, then applications will be reopened on a rolling basis and grants will be awarded on a first come, first served basis to eligible applicants that meet the minimum score of 65 points.

All eligible applications will proceed to the Board for approvals, and all applications which will be declined for discretionary reasons will also proceed to the Board.

Grant Agreement

Once a project is approved for funding, the Authority will enter into a grant agreement (“Grant Agreement”) with the applicant detailing the project to be funded, eligible Project costs, the amount of grant funding, and all financial programmatic requirements including the amount of other funding as may be applicable. The Grant Agreement will detail timelines for both the Project Property Acquisition and the proposed Supplemental Use Project based on the project schedule included in the application and the project approval. At the Authority’s sole discretion, the Authority may grant up to two six-month extensions. The applicant will be responsible for assuring the compliance of the Project with all terms and conditions of the Grant Agreement and the Program funding requirements.

All Strategic Public Use and Future Development Projects that are developed/redeveloped as a result of Local Property Acquisition Grant Program funding shall be subject to compliance with New Jersey prevailing wage law and compliance with other labor standards requirements, as well as other state requirements which may be applicable depending on project details and funding amounts including possibly New Jersey Executive Order 215 of 1989 regarding Environmental Assessments.

Property Sales/Transfers

The Grant Agreement will also detail the Authority’s rights for approval of any sale/transfer of the Property(ies) including reviewing the reasonableness of the proposed sales/pricing. The

Grant Agreement will further indicate that prior to the sale of a property for a Future Development Project, the applicant/grantee will submit to the Authority the proposed sales contract and the proposed Future Development Project financials for the Authority's review and approval.

If the proposed sales price is equal to or greater than the fair market value (based on appraisal), then upon sale of a property for a Future Development Project, the Authority will allow an applicant/grantee to retain up to 15% of the Grant amount as an administrative fee. The applicant/grantee shall return to the Authority an amount equal to: the Authority's proportionate share of the future sales price of the property/ies minus 15% of the EDA Grant amount attributable to the original property/ies acquisition.

If the proposed sales price is less than the fair market value (based on appraisal), the Authority will then review the project financials that the designated developer/redeveloper proposes against the Authority's financial analysis hurdle rate model to ensure that the sales price and project financials are reasonable (at or below the hurdle rate). If project financials and estimated internal rate of return are at or below the hurdle rate, then upon sale of a property for a Future Development Project, the Authority will allow an applicant/grantee to retain up to 15% of the Grant amount as an administrative fee. The applicant/grantee shall return to the Authority an amount equal to: the Authority's proportionate share of the future sales price of the property/ies minus 15% of the EDA Grant amount attributable to the original property/ies acquisition.

If the proposed sales price is less than the fair market value (based on appraisal) and the project financials and estimated internal rate of return are above the hurdle rate, the proposed future sales transaction would require Authority Board review.

Grant Funding Disbursements

The Authority will disburse grants only to the applicant. The grant funds will be disbursed for the Project (the acquisition of the property/ies approved for funding) and upon documentation of acquisition and related closing costs. If other funding sources are part of the approved project, then the grant funds would be prorated per the approved project budget.

Fees

A \$1,000 non-refundable application fee is required at the time of application submission.

Pursuant to N.J.A.C. 19:30-6.7, which permits fee waivers under certain conditions, the NJEDA will approve a fee waiver for municipal/municipal entity applicants of municipalities with 2020 Municipal Revitalization Index scores in the top 10% statewide. NJEDA staff will determine if the applicant entity meets the criteria to be granted a waiver for the Program. Ineligible entities will be notified and a cure in the form of fees payment will be requested to complete the application.

Additional Requirements and Information

Comprehensive information about the Local Property Acquisition Grant Program is available at

[Local Property Acquisition Grant Program - NJEDA](#)

Questions concerning this Program's Notice of Funding Availability should be submitted to realestateinfo@njeda.gov.

The NJEDA is subject to State and Federal statutes including but not limited to the following which may impact affiliates: N.J.S.A. 52:32-60.1, et seq., which prevents the New Jersey government entities from certain dealings with businesses engaged in prohibited activities in Belarus or Russia; N.J.S.A. 24:6I-49 which provides that the following are not eligible for most State or local economic incentives (a) a person or entity issued a license to operate as a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and (b) a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and N.J.S.A. 52:13D-12, et seq., which prohibits a member of the Legislature or a State officer or employee or their partners or a corporation in which they owns or controls more than 1% of the stock to undertake or execute any contract, agreement, sale, or purchase of \$25.00 or more, made, entered into, awarded or granted by any State agency, with certain limited exceptions.