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Local Property Acquisition Grant Program Frequently Asked Questions (FAQ)

PROGRAM QUESTIONS

What is the Local Property Acquisition Grant Program?

The Local Property Acquisition Grant Program is a competitive grant program that deploys \$25 million by providing funding to eligible applicants for the acquisition of a vacant site, building, facility, or a collection of properties, in order to facilitate and enable future redevelopment of the property. The Program intends to address a significant barrier in undertaking and implementing local development and redevelopment projects.

I work for a for-profit entity or a small-business. Am I eligible to apply for the Local Property Acquisition Program?

No. The Local Property Acquisition Program is for municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.

What do you mean by “municipal entities” or “county entities”?

Municipal entities are governmental entities that serve to advance the goals of local governments. Examples of municipal entities include: Housing Authorities, Redevelopment Authorities, Parking Authorities, etc.

County entities are governmental entities that serve to advance the goals of county government. Examples of county entities include: Improvement Authorities, Redevelopment Authorities, etc.

What kinds of projects can I apply for?

The Program will support two products: (A) **Acquisitions for Strategic Public Use** and (B) **Acquisitions for Future Development Projects**.

What is the difference between Acquisitions for Strategic Public Use and Acquisitions for Future Development Projects?

Project property acquisition(s) and 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.

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

For eligible project types, see below questions.

What transaction costs are eligible to use this funding for?

Funding can only be used for the real estate acquisition and related closing costs of the Project specifically approved based on the application, Authority review, and funding grant agreement. Grants will be used for prospective real estate acquisition costs plus closing costs typically included as part of a closing settlement statement (e.g. filing fees, pro-rata share of quarterly taxes, etc.) and related transaction legal costs. The program application requires the submission of an acquisition budget and eligible items are listed on the template provided. Due diligence-related costs are not eligible.

What is meant by “describe the project location”?

Applicants are expected to provide a description of the neighborhood and surrounding area where the property(ies) is located. Applicants should also describe whether the property(ies) is within an incentive area, walkable area, brownfields or historic designation. Besides speaking with local officials, applicants can find additional information (including but not limited to: incentive areas, historic properties, the presence of anchor institutions, transit stations or infrastructure, as well as high value permits for area projects) using the New Jersey Department of Community Affairs’ [Community Asset Map](#) .

Applicants should also note any other development occurring near/surrounding the proposed project.

Can I use this funding to purchase property from a government entity?

No. Purchase of government-owned property is not eligible.

Will projects be subject to prevailing wage requirements?

Yes. Projects must comply with the New Jersey Prevailing Wage Act. All NJEDA projects are subject to this requirement. Information about prevailing wage can be found at: <https://www.nj.gov/labor/wageandhour/prevailing-rates/public-works/>

All projects that pay prevailing wage are also subject to the Public Works Contractor Registration Act (NJS 34:11-56.48 et seq.) which requires all contractors, subcontractors, or lower tier subcontractors (including subcontractors listed in bid proposal) who bid on or engage in the performance of any public work in New Jersey to register with the NJ Department of Labor and Workforce Development.

Can I reimburse myself for a property that I have already acquired with funding from the Local Property Acquisition Grant Program?

No. Properties that were already purchased/acquired are not eligible for reimbursement through this Program.

Is there a minimum grant and/or a maximum grant amount?

Yes. The minimum grant funding amount is \$50,000 per project. The maximum grant amount for **Acquisitions for Strategic Public Uses** is \$1,000,000 and the maximum grant amount for **Acquisitions for Future Development Projects** is \$4,000,000.

Are there timelines associated with my application and meeting the requirements of the Local Property Acquisition Grant Program?

The Grant Agreement will detail timelines for both the Project property acquisition and the proposed Supplemental Use (end use) project based on the project schedule included in the application and the project approval. It is anticipated that property acquisitions will occur within 18 months of the funding award (Grant Agreement) and that the future Supplemental Use would typically be undertaken and completed within three (3) years following the property acquisition.

How long does the evidence of site control (purchase agreement or other) have to be valid for?

The application deadline for the Local Property Acquisition Grant Program is Monday, May 20th, 2024. The NJEDA grant review and approval process typically takes 4-6 months. The applicant must still have the ability to close on the property(ies) after that.

If my application to the Local Property Acquisition Grant Program is successful, am I bound to the end use that I described in my application?

A successful applicant will enter into a Grant Agreement which will require a deed restriction to ensure that both the Project Property Acquisition and the planned Supplemental Use for either the proposed and approved Strategic Public Use or Future Development Projects occur within the project development timelines based on the application submission and the Authority's approval. The deed restriction for property acquisitions for Strategic Public Use will also indicate that the property is to be used long-term and for publicly accessible space.

Can I use funds from the Local Property Acquisition Grant Program for environmental due diligence that was conducted prior to acquisition?

No. Due diligence-related costs are ineligible for funding under this program. Grants will be used for prospective real estate acquisition costs plus closing costs typically included as part of a closing settlement statement (e.g. filing fees, pro-rata share of quarterly taxes, etc.) and related transaction legal costs. The program application requires the submission of an acquisition budget and eligible items are listed on the template provided.

If approved for funding, how will grant funds be disbursed?

The grant funds will be disbursed for the Project (the acquisition of the property/ies approved for funding) 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.

ACQUISITIONS FOR STRATEGIC PUBLIC USE QUESTIONS

What types of acquisitions and end uses are eligible under the Strategic Public Use category?

Eligible end uses for Strategic Public Use projects 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.

Are there any ineligible end uses under the Strategic Public Use category?

Yes. Ineligible Strategic Public Use projects include public infrastructure (e.g. transportation, energy, communication, water, wastewater, or general public works).

If a municipality wants to acquire a former gas station to be redeveloped as a public parking lot, is that allowed under the Acquisitions for Strategic Public Use?

Yes. Acquiring property to be used as a public parking lot/garage is an allowable Supplemental Use (end use).

ACQUISITIONS FOR FUTURE DEVELOPMENT QUESTIONS

What types of acquisitions and end uses are eligible under the Future Development category?

Projects 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

Are there any types of end uses that are ineligible under the Future Development category?

Yes. Future Development projects which result in an end use consisting solely of warehouse, solely of residential, or primarily for government/educational uses are ineligible for funding.

Would I be able to use the Local Property Acquisition Grant Program for a 100% affordable housing development?

No, 100% residential developments are not eligible for this funding. You may want to explore programs through the New Jersey Department of Community Affairs (DCA) or the New Jersey Housing Mortgage Finance Agency (HMFA).

Would I be able to use the Local Property Acquisition for a warehouse facility?

The Board Memo states:

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

Would a municipality be able to purchase a property which will be developed into an Ambulance/Public Safety Facility?

The Board Memo states:

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

Would a municipality be able to purchase a property and convert it into a Senior Center which is open to the public?

The Board Memo states:

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

Supplemental Uses (end use) must not be primarily for a government use. If a municipality owns and is responsible for the operation (even through a contract with another provider) of the facility, it would still fit within a government use and it is therefore ineligible.

Can funds be used to purchase an existing shopping center that is in need of improvement?

Yes. An applicant may use funds from the Local Property Acquisition Grant Program to purchase a shopping center in need of improvement. The application should detail how the Supplemental Use would include substantial rehabilitation.

Can funds be used to buy-out a lease at a property in order to make improvements?

In this case, we are assuming that a landlord is using the funds to pay for the termination of an existing lease at the subject property. The Local Property Acquisition Grant Program is designed to help facilitate the purchase of properties. Purchasing a lease would not be eligible under this program.

Can a non-profit utilize Local Property Acquisition Grant Program funds for the purchase of a building to be used as a co-op market?

Yes, a non-profit can purchase a building with a commercial use in mind. Commercial uses (including supermarkets/grocery stores) are eligible under this program.

Per the Board Memo, all successful applicants will enter into a Grant Agreement with the NJEDA. "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 will submit to the Authority the proposed sales contract and the proposed Future Development Project financials for the Authority's review and approval."

APPLICATION QUESTIONS

When will the application be available and how do I apply?

The application became available beginning January 18, 2024 at 10:00am and will remain open until May 20, 2024 at 5:00pm. Applications and all program information can be found at [Local Property Acquisition Grant Program - NJEDA](#)

Is there a deadline to submit an application? Is the Program first come, first served?

Yes, there is a deadline of May 20, 2024 at 5:00pm to submit an application. All applications received by that date will be reviewed for completeness and eligibility. Following that initial review, all eligible applications will be scored competitively. The Program is not first come, first served.

What constitutes a fully completed application?

Please refer to the checklist of required items that must be provided in order for an application to be considered fully completed.

Who can be listed as the Authorized Representative?

An Authorized Representative is someone who can legally bind the applicant. Only an Authorized Representative can certify the forms and content of the application.

Some questions don't seem applicable to government entities or not-for-profit local economic and community development entities. Do I still have to respond to those questions?

The application is a Common Application that NJEDA uses for various programs and funding opportunities. NJEDA provides funding to many applicants including small businesses, real estate developers, governmental entities, not for profit organizations and financial institutions. Applicant/Company/Organization are used interchangeably throughout the application. Please answer all required questions on the application.

What milestones should I be highlighting in the project development timeline/implementation schedule?

Applications should include a timeline detailing the projected time to close on the acquisition of the property. Applicants should also highlight the timeline for securing approvals/permits, , starting construction, and completing construction/receiving a certificate of occupancy on the Supplemental Use (end use).

Readiness to proceed with Property Acquisition is a key scoring factor (10 points). The viability of the proposed Supplemental Use (end use) project and the reasonableness of the proposed development timeline is also a scoring factor (15 points).

Where can you get a tax clearance certificate since this is a requirement of the program?

Per the Board Memo, a tax clearance certificate is required prior to approval of any grant funding. The application asks that applicants submit a current tax clearance certificate at the time of application.

If you are not registered with Premier Business Services, visit the Premier Business Services portal https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp and select New Users Only – Create an Account and follow instructions for new account creation.

If you are already registered with Premier Business Services, log in https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp. Go to the Tax & Revenue Center and select Business Incentive Tax Clearance. If your account is compliant with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through the portal.

Questions regarding your account may be directed to NJ Treasury at 609-292-9292 or via email at Premier Services Registration at Integrated-Registration.Admin@treas.nj.gov.

Can you save your application as you go?

You can save your application and come back to it as long as you complete the page you are working on. Make a note of where you left off so when logging back into your account, you should be able to start with the next page. Please see the Sample Application for guidance.

Am I able to edit the application after I submit it?

No, once submitted, the application locks. You do have the ability to share a draft of the application before final submission.

Is there an application fee?

Yes. The Authority's standard \$1,000 application fee will be charged and is due and needs to be paid by the application deadline for the application to be deemed submitted.

Is there an application fee waiver that I can apply for?

Yes. NJEDA may grant a fee waiver when the imposition of a fee would impose an undue financial hardship. Municipal/municipal entity applicants of municipalities located in municipalities with [2020 Municipal Revitalization Index \(MRI\)](#) scores in the top 10% of all municipalities statewide are eligible for this fee waiver

GENERAL QUESTIONS**What if I have any questions about the program or the application process?**

All questions should be directed to realestateinfo@njeda.gov. Updated information will be provided at the website for this program and via updates to the Frequently Asked Questions document.

PLEASE NOTE:

The information contained in these Frequently Asked Questions is provided for general guidance purposes only. For full program information, consult the Board Memo and Product Specifications which can be found at – [Local Property Acquisition Grant Program - NJEDA](#)