



Local Property Acquisition Grant Program Frequently Asked Questions (FAQ)

**** Denotes new Question added 5.8.2024**

PROGRAM QUESTIONS

1. 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.

2. 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.

3. 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.

4. If a municipality wanted to partner with a County entity to co-own and co-develop a property, is this allowable?

5. ** If a municipality wanted to partner with a County entity to co-own and co-develop a property, is this allowable?

Per the Board Memo, “Eligible applicants are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.”

Applicants for the Local Property Acquisition Grant Program must be one of those entities.

The applicant must be only one of the eligible entities as defined in the Board Memo. The Authority will not accept joint-ventures or joint-ownership for the application and acquisition.

The Applicant/purchaser may enter into separate agreements to develop the property. Per the Board Memo, "The applicant/purchaser shall be responsible for assuring the compliance of the project with all terms and conditions of the application and the Program funding requirements."

6. ** Does the City have to identify the developer and do the plans have to be included in the application submission?

As noted in the Board Memo and the online application, Applicants are required to provide both a "Project Overview Narrative describing the property acquisition and the proposed future Supplemental Use" and a "Narrative and documentation of experience and capacity to undertake and complete the property acquisition and the proposed supplemental use".

Applicants should provide as much detail as possible in these narratives.

Applicants should upload a chart with information about completed projects from the last 5 years (if applicable). The chart should include: Project Name, Location (Address), Start Date, Completion Date, Acquisition Cost, Total Development Cost, etc.

Scoring factors for the application include "Experience & capacity of applicant" (up to 20 points) and "Viability of the proposed Supplemental Use project and reasonableness of the proposed timeline for the Supplemental Use project" (up to 15 points).

7. Can a for-profit real estate developer and a non-profit apply as a Joint Venture?

No. For-profit real estate developers are not an eligible applicant type.

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

Applicants for the Local Property Acquisition Grant Program must be one of those entities.

8. ** A building currently owned by a Joint-Venture between a local economic development non-profit (minority owner) and a for-profit developer (majority owner). Can the minority owner use the grant to buy-out the ownership interest of the majority owner?

See the relevant Board Memo sections below:

"Properties already purchased/acquired are not eligible for reimbursement through this Program."

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

Applicants for the Local Property Acquisition Grant Program must be one of those entities.

The Applicant/purchaser may enter into separate agreements to develop the property. Per the Board Memo, "The applicant/purchaser shall be responsible for assuring the compliance of the project with all terms and conditions of the application and the Program funding requirements."

9. ** Can an eligible municipal entity acquire the property and then sell to a developer with future plans for developing?

We do not have enough information at this time to make a determination.

Eligible applicants who are awarded funding from the Local Property Acquisition Grant Program must acquire the property(ies) outlined within their application. The successful applicant may then sell the property(ies) in a separate transaction subject to provisions outlined in the Grant Agreement between the Applicant and the Authority.

10. As a non-profit, can I partner with a local community developer to qualify?

Applicants are proposing Projects for the Acquisition of property(ies).

Per the Board Memo, “Eligible applicants are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.”

If an Applicant is successful and they enter into a Grant Agreement, the property must be acquired by the Applicant and NJEDA would only enter into agreement with the Applicant. The Applicant will remain the responsible party to the NJEDA and the applicant is the only eligible awardee.

11. Does a non-profit have to be designated as a 501c3 to apply? Can other designations apply?

Typically, a non-profit will have a 501(c)(3) charitable non-profit designation, but other forms of non-profits may be eligible as well. An eligible not-for-profit local economic and community development entity must be incorporated as a not-for-profit and would typically have Federal tax exemption status and a federal Employer Identification Number (FEIN).

12. Which organizations or entities would fall into the category of 'Not-for-profit local economic and community development entities'?

These entities will usually have a 501(c)(3) charitable non-profit designation, however other forms of not-for-profits may be eligible as well. All eligible local economic and community development entities must be incorporated as a not-for-profit and provide sufficient documentation thereof, which may include proof of EIN and federal exemption status. They also must be working to execute programs and initiatives to stimulate community and economic development.

13. Can an eligible entity acquire an ownership partnership share in a development wherein the eligible entity becomes a % owner of the total deal?

For-profit real estate developers are not an eligible applicant type. Eligible applicants are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.

Applicants for the Local Property Acquisition Grant Program must be one of those entities.

14. Can a newly created non-profit apply?

A newly created non-profit that is a not-for-profit local economic and community development entity may apply for the Local Property Acquisition Grant Program. A key scoring criterion for this program involves experience/capacity of the applicant.

15. ** Are state universities eligible to apply to this program?

No. Per the Board Memo, “Eligible applicants are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.”

16. Can one eligible entity submit an application pooling together properties from multiple organizations?

The New Jersey Economic Development Authority does not provide guidance or advise on the structuring of potential applications.

17. Where can a list of transitional aid communities be found?

The most recent list of municipalities applying for Transitional Aid for Calendar Year 2022 (CY 22) or State Fiscal Year 2023 (SFY 23) can be found here: [Transitional Aid Program - CY2022/SFY2023](#).

18. Is there a limit of one application for Future Development projects and one application for Strategic Public Use? Or can two applications be for the same source of funding?

19. Can you provide clarification on whether there is a limit on the number of projects that can be funded in a given municipality?

Per the Board Memo, “Note that since a maximum of one Project per product application category (Acquisitions for Strategic Public Use or Acquisitions for Future Development) located within a municipality may be funded, with the exception that a maximum of two Projects per product application category (Acquisitions for Strategic Public Use or Acquisitions for Future Development) located within either a Transitional Aid Community or a Government Restricted Municipality may be funded, once any respective maximum is reached, no additional projects in that municipality will be awarded funding.”

Per the Board Memo, “No applicant may receive more than two grant awards.”

20. 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**.

21. 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.

22. Can a non-profit apply to acquire property to be used as an income generating property?

Per the Board Memo, “Eligible applicants are municipalities, municipal entities, counties, county entities, and not-for-profit local economic and community development entities.”

Also Per the Board Memo, “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

23. 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.

24. 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.

25. Do properties need to be contiguous in order to apply?

26. Can a “project” allow for multiple sites? Do the properties have to be contiguous or on the same tax block?

Per the Board Memo, “Project property acquisition(s) and the proposed subsequent Future Development Project must support planned development/redevelopment efforts in the area proximate to the Property.”

Applicants are required to provide a “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, ...”

Scoring factors for the application include “Overall proposal concept for Property Acquisition and the proposed Supplemental Use of the property” and “Viability of the proposed

Supplemental Use project and reasonableness of the proposed timeline for the Supplemental Use project”.

27. Would an application with properties spread over different neighborhoods be allowed?

While we understand the merits of a scattered site approach, acquiring properties that can't be assembled into one project/structure is not permissible.

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

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

29. 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 (NJSA 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.

30. Funding can only be used for acquisition costs, but we need to certify that prevailing wage will be paid for construction. Does this mean prevailing wages must be paid when construction starts if the property was acquired through this grant program?

Yes. Per the Board Memo, “ All Strategic Public Uses 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.”

31. 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.

32. Purchasing government owned property is not eligible for this grant – Would a former school building owned by the local school board be considered government property?

33. ** Are acquisition costs related to the purchase of a former public school site, currently owned by the local Board of Education, eligible under this program?

Property owned by a Board of Education would be considered government owned property and would therefore be ineligible for purchase through the Local Property Acquisition Grant Program.

34. ** Would a not-for-profit school be eligible?

No. Per the Board Memo, “Supplemental Uses for Future Development Projects consisting solely of warehouse, solely of residential, or primarily for government/educational uses are ineligible for funding.”

35. 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.

36. 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.

37. Is a property eligible for this program if the purchase occurs between the May 20th application deadline and the date a Grant Agreement is signed?

No. Properties are not eligible if purchased prior to approval of an application/project.

38. 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.

39. How far along in the acquisition planning process does the Applicant need to be in order for the project to be eligible?

Per the Board Memo, Applicants must show “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.”

40. ** How far along do the Supplemental Use plans have to be in order to submit?

Note that 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 and undertaking and completing the future supplemental use project if Grant funds are awarded.

See also response to the somewhat similar question above.

41. Will tax foreclosure be an acceptable means of acquisition under this program?

Per the Board Memo, Applicants must include “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.”

If Tax Foreclosure has resulted in a final decision as noted above, documentation may be provided as evidence of site control.

42. If in the process of this application, an identified property becomes unavailable, how will that affect the application? Can it be redirected to another identified property?

Per the Board Memo, “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...” is a requirement of each Project application.

Applicants may not substitute/redirect their application to a new property(ies) as it would constitute a new/different Project.

43. Must a property be chosen and already in the purchasing process for an organization to qualify?

Per the Board Memo, applicants must provide “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...”.

44. 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.

45. 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.

46. Can environmental due diligence costs be included as an eligible cost?

Per the Board Memo, “Funding cannot be used for due diligence-related costs.”

47. Can grant be utilized for start-up costs for the Supplemental Use?

The Local Property Acquisition Grant Program is “for the acquisition of a vacant site, building, facility, or collection of properties (“Project”) in order to 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 (the “Supplemental Use”).”

The Program “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 and related transaction legal costs.”

48. ** What is considered “substantial rehabilitation”?

A “substantial rehabilitation” is typically an extensive structural repair or extensive remodeling and would typically require a building, electrical, plumbing, or mechanical permit for the building.

49. **What would be evidence of additional funding needed for the project especially if the funds will be from a government source?

New Jersey Economic Development Authority programs typically receive evidence of additional funding from government entities in a variety of forms, including but not limited to: Letter from Government entity committing to fund the balance and stating that funds are available; an Agreement between Applicant entity and government funding source, etc.

The application requests first that applicants describe and upload documentation showing how all Project Acquisition costs are to be paid for. In another section, applicants are asked to describe the anticipated funding sources for the Supplemental Use project development and applicants can upload supporting documentation. For both responses, this might include LOI’s, commitment letters from a bank or lender, grant agreements, resolutions, bank statements, New Market Tax Credit Award letters, etc.

50. If you apply for the Local Property Acquisition Grant Program, does it disqualify you from applying for the ASPIRE program or other NJEDA support?

No. Per the Board Memo, “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.”

This program permits the award to be combined with other State, County, and/or Local sources of funding. However, applicants must ensure that Local Property Acquisition Grant Program requirements and the requirements of other funding source align. NJEDA cannot advise as to whether accepting an award under this program would align with other funding sources.

We anticipate that some Projects will require funding beyond what is available through the Local Property Acquisition Grant Program. As part of the Program Application, Applicants are required to submit a “Project Budget including property(ies) acquisition price(s) and closing costs and proposed source and status of other funding for the property acquisition.”

Please be reminded that the Local Property Acquisition Grant Program funds only the acquisition and closing costs of a property(ies); other funding, such as that available through NJEDA's Aspire program, might be utilized for the Future Supplemental Use Development Project but would not be considered as part of the financing for the property acquisition.

51. May you combine this grant with a County Open Space and/or Green Acres Grant?

Per the Board Memo, "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."

This program does not contain a prohibition that would not allow the award to be combined with other State, County, and/or Local sources of funding. Applicants must ensure that Local Property Acquisition Grant Program requirements and the requirements of other funding source align. NJEDA cannot advise as to whether accepting an award under this program would align with other funding sources.

We anticipate that some Project will require funding beyond what is available through the Local Property Acquisition Grant Program. As part of the Program Application, Applicants are required to submit a "Project Budget including property(ies) acquisition price(s) and closing costs and proposed source and status of other funding for the property acquisition."

Note that 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 and undertaking and completing the future supplemental use project if Grant funds are awarded.

52. If an application meets the minimum scoring threshold, is funding guaranteed or is funding competitive?

The Grant Program will be a competitive grant program with an application process as outlined above.

The "Board Approval" section of the [Board Memo](#) provides a more comprehensive overview of the process of recommending funding awards to the Authority Board for applications which receive above the minimum score of 65.

53. 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.

54. I would like clarification on whether funds can be used for a downpayment.

Per the Board Memo, "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...” is a requirement of each Project application.

If the Application is approved, a down-payment would be considered a portion of the acquisition cost that would be eligible for funding under the Local Property Acquisition Grant Program but offers should not be contingent upon the receipt of funds from the Authority.

55. Will this grant be available next year?

The Local Property Acquisition Grant Program is a pilot program utilizing funding from the Fiscal Year 2023 Appropriations Act. There is no plan at this time to conduct a second round.

56. ** When might we expect funding awards to be announced?

The Authority anticipates that funding awards would be announced in Fall 2024.

ACQUISITIONS FOR STRATEGIC PUBLIC USE QUESTIONS

57. 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.

58. 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).

59. 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).

60. Is a parking lot with EV charging stations an acceptable use?

Per the Board Memo, “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.” Public parking lots are eligible Supplemental Uses under the Strategic Public Use Product.

If the applicant purchases a property using Local Property Acquisition Grant Program funds and then develops a public parking lot and places EV charging stations there, that would be eligible.

However, if the Applicant is applying to just install EV charging stations on an existing public parking lot, that project would be ineligible.

61. Will the Strategic Public Use program be applicable to a municipal indoor public pool?

Under the Strategic Public Use product, a publicly accessible municipal pool could be an eligible Supplemental Use.

Per the Board Memo, the Local Property Acquisition Grant Program is "... for the acquisition of a vacant site, building, facility, or collection of properties ("Project") in order to facilitate and enable the future redevelopment of the property/ies...".

Further, "Eligible Supplemental Uses for Strategic Public Use projects must be publicly accessible spaces for the community..."

Applicants should be reminded that "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."

Also per the Board Memo, successful applicants who enter into a Grant Agreement with the Authority will be required to enter into a deed restriction for the property(ies). This will "...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 do 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 as and for publicly accessible space."

ACQUISITIONS FOR FUTURE DEVELOPMENT QUESTIONS

62. 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

63. 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.

64. 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).

65. Can you confirm that some individual parcels included in an application can be dedicated to housing? For example, if an application consists of 5 properties, one of them could be developed as housing, as long as the primary intended use for most of the properties in the application is commercial/mixed-use?

Applicants applying for Future Development Projects should be able to clearly define a “Project” that is in line with the eligible uses described in the Board Memo for Future Development Projects.

Applications must include a “Project Overview” describing the overall proposal for the acquisition and the proposed future Supplemental Use as well as a “Narrative” which should describe the viability/feasibility of the proposed acquisition.

Mixed-Use developments are an eligible Supplemental Use for the Local Property Acquisition Grant Program. The application must clearly define how the proposed development would fit the definition of Mixed-Use.

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; or Research/Laboratory

66. ** Can an eligible entity purchase a property from a separate but related entity using the Local Property Acquisition Grant Program?

Please see the relevant Board Memo sections as follows:

“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...”

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

“Properties already purchased/acquired are not eligible for reimbursement through this Program.”

“Purchase of government-owned property is not eligible.”

67. 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.”

68. ** Can an eligible entity purchase an existing warehouse to be used for and of/a combination of the following: indoor farming, storage and distribution of locally grown produce, healthy food access and education for the public, and/or corner market cooperative buying storage facility?

The acquisition of an existing vacant warehouse would be eligible. The Future Development Project must include substantial rehabilitation and/or new construction and the proposed Supplemental Use is limited to the following:

“...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, solely of residential, or primarily for government/educational uses are ineligible for funding.”

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.

69. Are only abandoned properties eligible for acquisition?

Per the Board Memo, the Local Property Acquisition Grant Program is “... for the acquisition of a vacant site, building, facility, or collection of properties (“Project”) in order to facilitate and enable the future redevelopment of the property/ies...”.

70. ** If the property to be acquired is currently occupied, can an eligible entity use Local Property Acquisition Grant Program funds to purchase the property?

No. Per the Board Memo, the Local Property Acquisition Grant Program is “for the acquisition of a vacant site, building, facility, or collection of properties (“Project”) in order to 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 (the “Supplemental Use”).”

71. ** Can a property where only 10% of the building is occupied be eligible for this program if there is a plan to redevelop the property?

No, a building that is partially occupied is not vacant.

Per the Board Memo, the Local Property Acquisition Grant Program is “... for the acquisition of a vacant site, building, facility, or collection of properties (“Project”) in order to facilitate and enable the future redevelopment of the property/ies...”.

72. My organization currently owns a building that is being rehabilitated, it will be vacant upon completion. Could another eligible organization purchase the property from me using funds from the Local Property Acquisition Grant Program?

Per the Board Memo, the Program is “for the acquisition of a vacant site, building, facility, or collection of properties (“Project”) in order to 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 (the “Supplemental Use”). The Program is designed to address

a significant barrier to undertaking and implementing local development and redevelopment projects.”

Based on the circumstances described in this question, the rehabilitation/redevelopment of the site has already been completed and as such the application would not meet Program eligibility requirements.

73. ** Would a business incubator be considered an “educational use” and therefore be ineligible?

No, a business incubator would not be considered an “educational use”.

The Authority recognizes business incubators as a “Commercial” use. Per the Board Memo, a commercial use is an eligible Supplemental Use for Future Development Projects (substantial rehabilitation and/or new construction).

74. 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.”

75. ** An eligible government entity wants to purchase a property, continue to own it, and lease the property to a developer to build a mixed-use development. Is this an eligible use of the Local Property Acquisition Grant Program?

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.

76. 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.

77. ** Can a property be purchased to use as both a public parking lot and building for government use?

No. 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.

78. ** Can an eligible government entity purchase a vacant building, continue to own it, and lease the property to an operator to establish a food pantry/grocery store?

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.

79. ** Are food banks or soup kitchens allowable projects if proposed by a non-profit entity?

Yes. Per the Board Memo, “Project property acquisition(s) and the proposed subsequent Future Development Project must support planned development/redevelopment efforts in the area proximate to the Property.”

“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, solely of residential, or primarily for government/educational uses are ineligible for funding.”

80. ** Would a sports complex with both open space and commercial space be eligible?

The question posed is overly broad so we cannot provide a direct answer.

However, based on our interpretation of the question, we believe this project would not fall into the Strategic Public Use category due to the commercial component of the project. We believe this type of project would fall into the Future Development Projects category.

“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, 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.

81. 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.

82. 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.

83. 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.”

84. We are doing a larger neighborhood development with affordable homes. Is this an eligible use of the program?

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

85. What is considered a mixed-use project? Is there a minimum or maximum number of residential units that need to be included?

A mixed-use development would have more than one use or purpose (e.g. commercial/office and residential).

The Local Property Acquisition Grant Program does not make a distinction concerning a minimum amount of square footage dedicated to individual uses within a mixed-use development.

Per the Board Memo, in any “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)”.

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

86. If the acquisition of a property is more than the maximum allowable under the Local Property Acquisition Grant Program, could the applicant use other public subsidies or other forms of financing to bridge the gap?

Yes.

APPLICATION QUESTIONS

87. 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](#)

88. 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.

89. 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.

90. 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.

91. 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.

92. 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).

93. Do we need to show the developer's experience?

As noted in the Board Memo and the online application, Applicants are required to provide a "Narrative and documentation of experience and capacity to undertake and complete the property acquisition and the proposed supplemental use".

Applicants should upload a chart with information about completed projects from the last 5 years (if applicable). The chart should include: Project Name, Location (Address), Start Date, Completion Date, Acquisition Cost, Total Development Cost, etc.

Applicants are scored on their experience and capacity. Applicants can score up to 20 points on "Experience & capacity of applicant".

94. Would properties listed in our application need to be appraised prior to application submission?

Appraisals are not a required item to be submitted with an Application.

However, per the Board Memo, "Note that 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 and undertaking and completing the future supplemental use project if Grant funds are awarded."

95. 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.

96. 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.

97. 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.

98. 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.

99. 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

100. 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](#)