



New Jersey Economic Development Authority Urban Investment Fund Grant Pilot Program *NOTICE OF FUNDING AVAILABILITY*

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications for the pilot Urban Investment Fund Grant Program (“Program”) on May 22, 2024 at 10:00am EST. Applications must be submitted by September 23, 2024 at 5:00pm. The application can be accessed at: [Urban Investment Fund Grant Program - NJEDA](#).

The Program will make available \$38,198,148 to the six eligible municipalities (Camden, New Brunswick, Newark, Passaic, Paterson, and Trenton) to implement a revitalization strategy designed to increase foot traffic and commercial activity within a commercial corridor area by supporting, undertaking, and concentrating eligible real estate related projects within the identified area. Only one application for funding within a municipality may be submitted.

Applications will be reviewed for completeness and eligibility on a rolling basis. There is no application fee for this program.

Purpose and Overview

The Program’s goals are to catalyze and support revitalization in key commercial corridor areas by investing in projects that transform commercial corridors into vibrant 24-hour commercial centers and respond to evolving market conditions, such as hybrid and remote work, by funding activations and development that will in turn increase residents, visitors, and/or office workers and to support investment within key commercial corridors and promote strong, resilient, and equitable economic recoveries. This Program will expand investment in communities by working to activate underutilized, distressed, or vacant buildings for projects to promote equitable economic growth and urban community development. Recognizing that resources can be limited in distressed municipalities, this Program provides additional grant support for recovery from negative COVID-19 economic impacts to ensure the local community has the necessary resources to undertake revitalization projects and have long term success.

Eligible municipalities/applicants, as defined below, would identify the key commercial corridor area and develop a revitalization strategy approach designed to increase foot traffic and commercial activity for the identified Corridor. The applicants would then identify a minimum of 2 interrelated projects to undertake, which are in alignment with their vision statement and are eligible project types/uses (see below).

Funding for the Program is provided by Governor Murphy’s Fiscal Year 2024 Appropriations Act (“Act”) through an allocation from the American Rescue Plan (“ARP”) Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”). The Act allocated significant State funding to the Authority for numerous strategic economic development investments to support key industries, advance the innovation economy, continue to bolster recovery, and spur statewide growth. These strategic investments include \$50 million appropriated for the “Urban Investment Fund”, of which \$38,198,148 is to create the Urban Investment Fund Grant Program. Upon receipt from the State, the Authority will deposit the funds into the Economic Recovery Fund.

Program Details

Identification of Commercial Corridor Area and Revitalization Strategy

Eligible municipalities will identify a key commercial corridor area (“Corridor”) for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The Corridor would typically be in a downtown location and the Applicant will identify the borders of the Corridor. At a minimum, the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Once the Corridor has been identified, eligible municipalities would develop their revitalization strategy for investing in that Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area (“Revitalization Strategy”). The Revitalization Strategy would describe the public open process that the municipality undertook to identify and determine the projects from the eligible project types (see below) for which they would request Program Grant funding. The Revitalization Strategy should also indicate other projects that could be undertaken and/or additional partners and stakeholders involved in community or business activities in the identified key commercial Corridor area.

As discussed below, the applicants would then identify a minimum of 2 interrelated projects to undertake, which are in alignment with their vision statement and are eligible project types/uses (as described below).

Eligibility

- Eligible applicants are defined as municipalities that meet BOTH of the following criteria (Note: excluding Atlantic City which received its own FY 2024 State Budget Appropriation from ARP SLFRF): Top 5% of municipalities based on Commuter-Adjusted Population (2018-2022 American Community Survey 5-Year Estimates)
 - This is “Daytime Population” which is the calculation of Total Resident Population + Total Workers Working in Area – Total Workers Living in Area.
- Top 5% of municipalities within the 2023 Municipal Revitalization Index (MRI). The MRI serves as the State’s official measure and ranking of municipal distress. The MRI ranks New Jersey’s municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. The MRI is used as a factor in distributing certain “need based” funds.

Based on the above criteria, the following 6 municipalities would be eligible to apply for funding: Camden, New Brunswick, Newark, Passaic, Paterson, and Trenton.

Only **one (1) application** per eligible municipality may be submitted as evidenced by a letter from the eligible municipality as described below. Eligible municipalities may designate a municipal entity, county entity, or a not-for-profit local economic and community development entity to be the applicant on behalf of the municipality. A letter from the municipality designating such an entity is required as part of the application (see below for more specific information).

Additional applicant requirements:

Must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation, unless the applicant is not required to register with the Division of Taxation.

Eligible Uses

The Program will allow for several types of projects and uses, as described below, (collectively referred to as “Projects”) to be funded within the Corridor as part of the municipal Revitalization Strategy. Applicants **must include a minimum of two projects** from the following list in their application:

- Building Rehabilitation Projects – rehabilitation/renovation of a blighted, underutilized, partially vacant, or vacant building (could include substantial or minor rehabilitation, reactivating vacant space, addressing code violations, interior building reconfiguration/fit out) for use as a commercial or mixed-use building with a deed restriction to be required ensuring no change in the proposed project use for five (5) years; Maximum funding of \$3.5 million per building; not for new construction.
- Building Reuse Studies – such as building conversion analysis from office to commercial or mixed-use; or adaptive reuse study; or other building analysis; Funding cannot be used for physical improvements/construction work. Maximum funding of \$200,000 per study and maximum of three (3) studies per applicant.
- Public Space Use Investments – Funding may be provided for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; Funding cannot be used for programming/operational costs of the space; space/property must be either outdoor publicly owned space or outdoor space under agreement (operating agreement, lease, easement, etc.) with a public entity for public use that would function as one of the uses listed above; space/property must be predominantly accessible/open to the public for public use the majority of the time for a minimum five (5) years; Maximum funding of \$1.5 million per project.

Per US Treasury deadlines and federal SLFRF requirements, all Program funds must be fully expended by December 31, 2026. In order to meet these timelines, it is anticipated that Projects included in any application for Program funding would be fully completed by September 30, 2026. Applicants must confirm in the application that they are aware and agree that the real estate projects proposed in their application can be completed by December 31, 2026.

Projects that have started construction are not eligible. Construction, including demolition and remediation, cannot start until approval. All projects will be subject to compliance with New Jersey prevailing wage law and the Public Works Contractor Registration Act (N.J.S.A. 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.

Building Rehabilitation Projects that are 100% residential are **not eligible** but mixed-used development projects are eligible and (1) any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329(b); and (2) should have at least 20% of the total square footage or the entire ground level or entire floor of the building dedicated to a commercial/non-residential use. **Building Rehabilitation Projects that are for governmental or educational uses are ineligible.**

Program grant funding can only be used for the real estate project costs specifically approved based on the application, Authority review, and funding grant agreement. Project costs may include hard construction costs with a maximum 10% contingency; soft costs not exceeding 20% of total project costs; and developer fee not exceeding 10% of total project costs or as otherwise allowed by another State agency providing funding to a project. **Acquisition funding is not eligible nor are operating costs.** All Project costs and Grant funding are subject to federal Duplication of Benefits requirements and a cost reasonableness analysis will be undertaken by the Authority prior to Project approval.

Grant Amounts

The **minimum** grant funding is \$1,000,000 per eligible municipality. The **maximum** grant funding for eligible municipalities is based on the applicable commuter-adjusted population.:

- A maximum grant of \$7 million is available for municipalities with commuter-adjusted population over 100,000.
- A maximum grant of \$5,732,716 for municipalities with commuter-adjusted population under 100,000.

Program Grant funding may not exceed 80% of the total of all project costs within an approved application.

Note: Please see the Grant Agreement section outlining potential actions, including recapture or repayment of Grant funds, that the Authority may pursue if timelines for meeting project milestones are not met.

Only one (1) application proposal may be submitted per eligible municipality.

The potential award amount is based upon current information about funding availability. NJEDA reserves the right to increase that amount and number of awards should additional funds become available.

Application Submission and Review Process

The eligible municipalities identified above will be able to submit an online application seeking Program Grant funding up to the maximum amounts based on the commuter-adjusted population size category. *This will be a rolling grant application process, not competitively scored.* In order to meet federal funding expenditure timing requirements, eligible applicants will

have up to four months to submit an application. The Authority, at its sole discretion, may extend the application submission deadline by up to 2 months.

As part of a Program application, applications for Program Grant funding must identify and describe the Corridor and demonstrate that there is an overall Revitalization Strategy for the Corridor in alignment with Program criteria. Applications would also request grant funding for specific eligible Projects. The online application must include, but is not limited to, the following information:

- Narrative describing key commercial corridor area – define area as to streets/boundaries, must be a primarily commercial area; describe the neighborhood and surrounding area; explain why and how this commercial corridor area was selected (process and/or rationale); what are the current COVID-19 related negative economic impacts (existing conditions of vacancy, reduced traffic, etc.); how negative impacts can be addressed/ameliorated; benefits and long term impacts to the area and the community.
- Description and details of the proposed strategy for the overall commercial corridor revitalization including what types of projects are needed; what stakeholders/partners are involved that will undertake projects or be part of overall approach to address decreased foot traffic and economic activity; describe benefits to the area and the community for implementing this strategy; process undertaken to identify and determine which projects would be included in the application for grant funding; include a narrative on how the proposed Revitalization Strategy and Projects will address the impacts of COVID-19; and why this capital expenditure is the most appropriate to address the economic harms caused by COVID-19.
- Overall Application Budget Sources and Eligible Uses – this would include all Projects within the application, indicate the Grant funds being requested per Project, and identify other funding sources to provide **minimum 20% of total costs of all projects within the application.**
- Strategy Implementation Timeline – shows key milestones are reasonable for (1) start of Projects to be undertaken, (2) securing of required additional funding, (3) construction progress, and (4) evidence completion of each Project before September 30, 2026. **(Note that in order to ensure that federal expenditure deadlines are met, it is anticipated that all Projects to be undertaken with Grant funding will be fully completed by September 30, 2026.)**
- Applicant's experience and capacity to undertake and oversee the overall Revitalization Strategy and to monitor and ensure completion of the proposed Projects.
- For each Project that is to be funded with Grant funds, provide project narrative including scope of work to be done/plan for rehabilitation if applicable; owner and developer information and experience including required disclosures and certifications; evidence of or path to site control; financial viability related information such as sources and uses budget, evidence of or ability to secure other funding, proforma if relevant; explanation of why these grant funds are needed; project development timeline.

- If a municipality is designating a municipal entity, county entity, or a not-for-profit local economic and community development entity to apply on their behalf, a letter from the municipality (Mayor or their municipal employee designee) designating such entity is required. The letter should also indicate approval of the application and the projects within the application.

Applications will first be reviewed for application completeness to ensure all necessary Application information and documents are submitted and complete. At the sole discretion of the Authority, staff may ask for clarification of the information included in the application, including but not limited to narrative responses, supporting documentation, and attachments. Additionally, applicants will be given ten (10) business days to cure any deficiencies.

All applications will be reviewed by Authority staff to confirm that sufficient information and details regarding the above required items have been satisfactorily included and are consistent with the Program's Board Memo, as follows:

- Key commercial corridor area has been designated and description of COVID-19 related negative economic impacts has been provided;
- Overall Revitalization Strategy outlines plan to address the negative impacts and increase foot traffic and economic activity within the Corridor;
- Proposed Projects to be undertaken with Grant Funds are eligible as outlined herein;
- Applicant and/or Project developers have provided evidence of sufficient capacity and experience to undertake the revitalization strategy and Projects;
- Financial information provided evidences reasonableness of proposed costs and ability to provide or secure **minimum matching 20% of total costs of all projects within the application**;
- Timelines to undertake the strategy and complete the proposed Projects are reasonable and evidence completion before September 30, 2026.

A cost reasonableness analysis will be completed prior to any Project being approved. Additionally, the Authority will undertake project financial gap analysis to ensure reasonable profit/returns.

Following application submission and determination by staff of completeness, eligibility, and conformance with Program requirements per the above review factors for funding considerations, all applications will be presented to the Board for funding consideration. To ensure that federal expenditure deadlines are met, staff recommendations to the Board for approval of applications will include timelines and anticipated project development milestones to be met. Further, the Authority will state that if timelines for project milestones are not met, then the Authority may :

- Allow for reallocation of the Grant funds to a different Project; *and/or*
- Recapture or require repayment of Grant funds; *and/or*
- Advise that the Applicant may no longer be eligible for any remaining unused Grant funds.

Following Board approval, the Authority will issue an Approval letter listing requirements and timelines for submission of required documents and information required to proceed to a Grant Agreement. Such required documentation may include, but is not limited to, the following: evidence of site control and site ownership for each Project; Project developer organizational documents and certifications; Project budgets; evidence of other financing; project development milestones and timelines; general contractor information; and evidence of required insurance.

Applicants will be given sixty (60) calendar days, which may be extended up to an additional sixty (60) calendar days by the Authority at its sole discretion, to submit required documentation. If an approved Applicant does not submit requested information within the given timeline, the Authority's approval will be withdrawn, and the Projects will not proceed.

Grant Agreement

Following Board approval and upon satisfactory submission in a timely manner of Approval Letter documents and conditions, the Authority will enter into a Grant Agreement ("Grant Agreement") with the Applicant municipality. The municipality shall be responsible for assuring the compliance with all terms and conditions of the application, Grant Agreement, and the Program funding requirements. **No construction can have started on any Project prior to execution of a Grant Agreement.**

The Grant Agreement will include descriptions of the Corridor and the Revitalization Strategy, each separate Project to be funded with Grant funds, 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 state and federal requirements. All Projects that are developed/redeveloped with the Urban Investment Fund 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 New Jersey Executive Order 215 of 1989 regarding Environmental Assessments.

For Building Rehabilitation projects, the Authority will require that the applicant file a 5-year deed restriction on the property utilizing the Authority's required restriction language. The deed restriction will be released by the Authority after five (5) years from final Project closeout.

The Grant Agreement will detail timelines and milestones to be met for the completion of each Project as part of the overall Grant funding. At the Authority's sole discretion, the Authority may grant timeline or milestone extensions. The Grant Agreement will indicate that to comply with federal funding requirements, all Projects must be fully completed, and all funds fully expended by December 31, 2026.

Should any Project not be able to meet key milestone dates, then the Municipality may request a modification in Project scope or request approval of an alternative Project. The Authority, at its sole discretion, will consider such a request and may approve a Project modification under delegated authority.

The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

The Grant Agreement will detail the funding disbursement process.

Grant Funding Disbursements

Following the execution of the Grant Agreement, Grant funds will be disbursed either incrementally as eligible Project expenses are incurred and may be prorated with other funding sources, if applicable, with the Authority's standard construction retainage withheld until project completion or grant funds may be disbursed in coordination with the other funder's disbursement process. Funding disbursement requests must be evidenced by documentation supporting that the expenses were incurred, work has been performed in accordance with prevailing wage and labor standards compliance requirements, and work was done consistent with Grant approval and eligible uses of Program funding.

Applicants will be responsible for and required to ensure that all Grant Agreement requirements between the Authority and applicant are subsequently imposed on the Project developers through separate funding agreement(s) between the applicant and the Project developers.

Fees

Pursuant to EDA's revised fee rules, no application fee will be charged.

Additional Requirements and Information

Comprehensive information about the Urban Investment Fund Grant Program is available at [Urban Investment Fund 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; Compliance with the list of "Specially Designated Nationals and Blocked Persons" promulgated by the Office of Foreign Assets Control (OFAC), <https://sanctionssearch.ofac.treas.gov>; 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.