Information Session

Real Estate Gap Financing Program

October 15, 2024





Real Estate Gap Financing Program

Provide grant funding to for-profit or nonprofit entities for real estate development projects located in 25 eligible distressed municipalities that require gap financing and that address the negative economic impacts of the COVID-19 pandemic

REGF Program Timeline

NJEDA Board Approval: July 17, 2024

Application Launch: October 10, 2024

---competitive, scored application process---

Informational Webinar: October 15, 2024

Question Period Ends: November 12, 2024

> ***email all program questions/inquiries: realestateinfo@njeda.com

Application Deadline: January 8, 2025

*FEDERAL FUNDING EXPENDITURE DEADLINE DECEMBER 31, 2026**



Budget & Funding Parameters

Program Budget

\$10M total from Governor Murphy's Fiscal Year 2023 State Budget
 --utilizing Federal American Rescue Plan State and Local Fiscal Recovery Funds



Funding Parameters

- Grant Funding to be provided based on competitive application
- Minimum grants of \$ 500,000
- Maximum grants of \$ 5,000,000
- Total grant funding cannot exceed 50% of the total of all project development costs
- No applicant (and or applicant related entity) may receive more than one grant award
- Maximum one application will be funded in any one municipality.



Eligible & Ineligible Uses/Project Types

- Commercial (including office and/or supermarkets/grocery stores)
- Mixed-use developments (if residential –min. 20% low- mod units)
- Non-profit/community use projects (not government owned)
- Cultural, Arts, Performing Arts
- Manufacturing/Industrial

INELIGIBLE

- 100% warehouse
- 100% retail
- Primarily for government or educational use
- Projects that have started construction



Eligible Uses/Project Types (contd.)

- ► New Construction and/or
- Substantial Rehabilitation
 - any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can re reoccupied.....
 - □ not for projects comprised only of floor finish replacement, painting or wallpapering or the replacement of equipment or furnishings.....



Notes re Projects & SLFRF funding requirements

- Projects must evidence a funding gap
- ► Projects must address negative economic impacts of the COVID-19 pandemic
- ► Applications/projects will be subject to federal Duplication of Benefits requirements and cost reasonableness review
- ► 5-year deed restriction to ensure no change in project use for 5 years
- NJ Prevailing Wage, affirmative action, labor standards compliance
- ► Federal Funding Expenditure & Project Completion by 12/31/2026



Eligible Applicants

- **▶** For-profit Development Entities
- **▶** Not-for-profit Development Entities

NOTE: Maximum of 1 grant application per applicant/EIN

Applicants must be in good standing with the State (*Tax Clearance, DOL & DEP checks, legal reviews*)

INELIGIBLE –

- City/county/state entities
- State colleges or universities
- Including any government entity that may also have non-profit status



Eligible Project Locations

- Projects must be located in municipalities which meet both:
 - Top 20% of municipalities within the 2023 Municipal Revitalization Index (MRI) The MRI serves as the State's official measure and ranking of municipal distress.
 - Top 20% of municipalities based on Commuter-Adjusted Population (ACS 5 yr) This is "Daytime Population" which is the calculation of Total Resident Population + Total Workers Working in Area Total Workers Living in Area.

▶ 25 eligible municipalities

Bayonne, Belleville, Bridgeton, Carteret, East Orange, Elizabeth, Garfield, Hackensack, Irvington, Jersey City, Kearney, Lakewood Township, Linden, Long Branch, Middle Township, Millville, North Bergen, Orange, Pennsauken, Perth Amboy, Plainfield, Union City, Vineland, West New York, and Winslow.



Application Notes

Online

- **▶** Using the standard NJEDA Common Application Portal
- ► Program specific documentation including document & narrative uploads
- **▶** No application fee

Application open for approximately 90 days

Competitive scoring and review process

All REGF funding awards will be presented to NJEDA Board for funding approval

Scoring Criteria:

65 Points minimum score for funding consideration

Scoring Criteria	Available Points
Overall Project Concept/Project Benefits/Small, Women, Minority, Veteran Owned Businesses ("SWMVBE")	30%
Experience and capacity of applicant	20%
Readiness to Proceed and Reasonableness of timeline	30%
Financial feasibility and cost effectiveness	20%

^{**} This is a Competitive Grant Application, not rolling or first-come, first-served **

Real Estate Gap Financing Grant Program

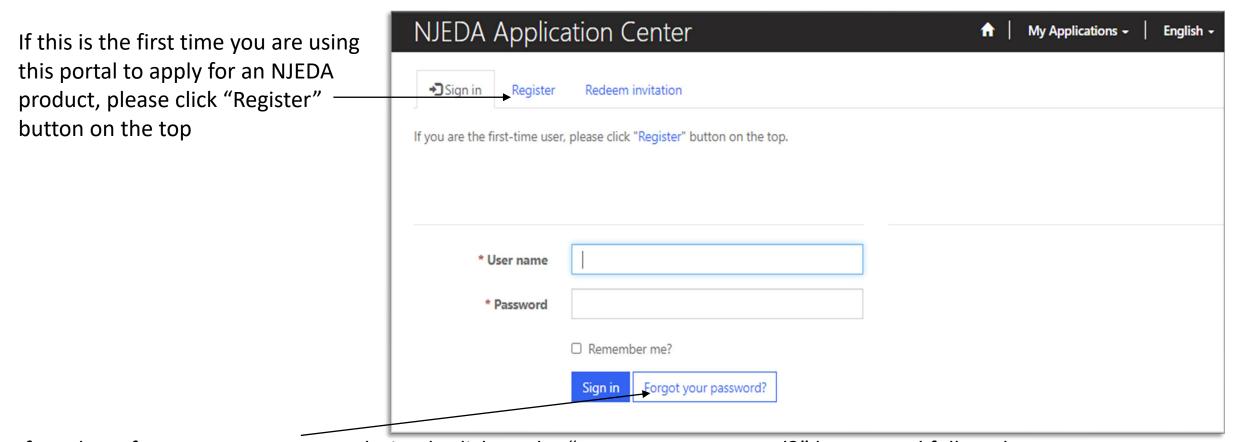
Sample Application





NJEDA Application Center Sign In Page

https://programs.njeda.com/en-US/



If you have forgotten your password, simply click on the "Forgot your password?" button and follow the instructions. An email will be sent enabling you to reset. Please note that your Username will be included in the email you receive. Be sure to confirm that you are using the correct username when you sign in.

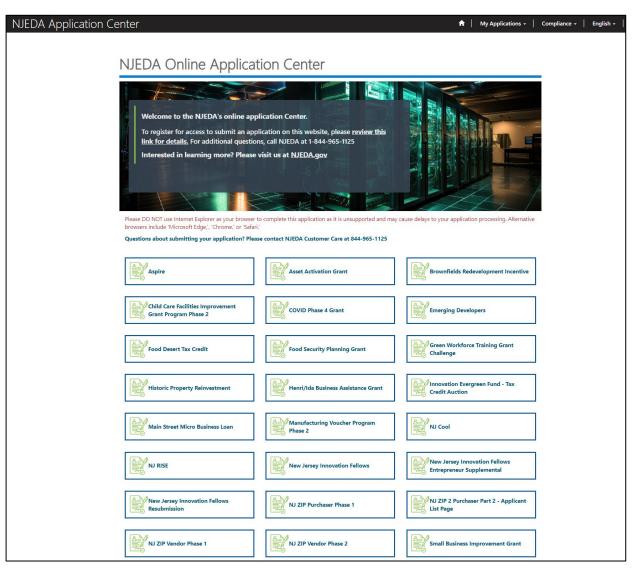


NJEDA Application Center Sign In Page

https://programs.njeda.com/en-US/

Find "Real Estate Gap Financing" on list and click to begin application







Start Application

Read this information before starting your application.

Click **CREATE** button to start application.

Real Estate Gap Financing Application WELCOME: Real Estate Gap Financing Application The Real Estate Gap Financing Grant Program is a pilot program established to provide grants for real estate development projects located in distressed municipalities as defined below that require gap financing and that address the negative economic impacts of the COVID19 pandemic. Eligible applicants are for-profit and non-profit entities (each, an "Applicant" or "Developer Entity") which are undertaking an eligible real estate project in an eligible municipality (as outlined below) that require gap financing and that address the negative economic impacts of the COVID-19 pandemic Eligible Projects: The following types of real estate projects (new construction and/or substantial rehabilitation as defined below) which are located in distressed municipalities as defined below are eligible and will be considered for Real Estate Gap Financing grants: Mixed Use d ortion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329.9(b) Non-profit/c Manufacturing/Industrial Please note: Projects consisting solely of warehouse and/or retail spaces are ineligible for funding. Additionally, any warehouse use included must be ancillary and in direct support of the site's eligible primary use. Projects primarily for governmental or educational use are ineligible for funding, including buildings that would be owned, leased, or primarily leased (51% of square footage) by governmental or educational entities following development. Substantial rehabilitation shall have the same meaning as "reconstruction" in NJ.A.C. 5:23-6.3 as "any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied. Reconstruction may include repair, renovation, alteration or any combination thereof. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted." Projects that have started construction are not eligible. Construction, including demolition and remediation, cannot start until EDA's approval of the application. Eligible municipalities where projects could be located would include the 25 municipalities as listed below: Bayonne, Belleville, Bridgeton, Carteret, East Orange, Elizabeth, Garfield, Hackensack, Irvington, Jersey City, Kearney, Lakewood Township, Linden, Long Branch, Middle Township, Millville, North Bergen, Orange, Pennsauken, Perth Amboy, Plainfield, Union City, Vineland, West New York, and Winslow. Per US Treasury deadlines and federal SLFRF requirements, all Program funds must be expended by December 31, 2026. In the event of any questions, please contact a Real Estate Gap Financing team member at realestateinfo@njeda.gov Language Assistance: ATENCIÓN: si habla español, los servicios de asistencia lingüística, gratuitos, están disponibles para usted enviando un correo electrónico a languagehelp@njeda.gov. تنبيه: إذا كنت تتحدث اللغة العربية، فإن خدمات المساعدة اللغوية مجانية متاحة لك عبر إرسال بريد إلكتروني إلى languagehelp@njeda.gov 注意: 如果您說粵語,可以透過傳送電子郵件至 languagehelp@njeda.gov 免費獲取語言協助服務。 注意:如果您说普通语,可以通过发送电子邮件至 languagehelp@njeda.gov 免费获取语言协助服务。 ધ્યાન આપી: જો તમે ગુજરાતી બોલતા હોય તો, તમારા માટે languagehelp@njeda.gov પર ઈ-મેઈલ કરવાથી ભાષા સહાય સેવાઓ મફતામાં ઉપલબ્ધ છે. ध्यान दें: यदि आप हिंदी बोलते हैं, तो languagehelp@njeda.gov पर ईमेल द्वारा, आप के लिए नि:शुल्क भाषा सहायता सेवाएं उपलब्ध हैं। ATTENZIONE: se parla italiano, può usufruire gratuitamente di servizi di assistenza linguistica scrivendo all'indirizzo languagehelp@njeda.gov

알람. 한국어를 사용하시는 경우, 언어 지원 서비스가 무료로 이메일 languagehelp@njeda.gov 을 통해 제공됩니다.
UWAGA: Jeśli mówicz po polsku możesz uzyskać pomoc tłumacza bezolatnie wysyłając e-mail pod adres languagehelp@njeda.gov

ATENÇÃO: se você falar português, oferecemos serviços de apoio de idioma gratuitos. Envie um e-mail para languagehelp@njeda.go
ATTENTION: Kung nagsasalīta ka ng Tagalog, magagamit mo ang libreng mga serbisyong tulong sa wika sa pamamagitan ng pag-en

Number (FEIN)



Primary Point of Contact

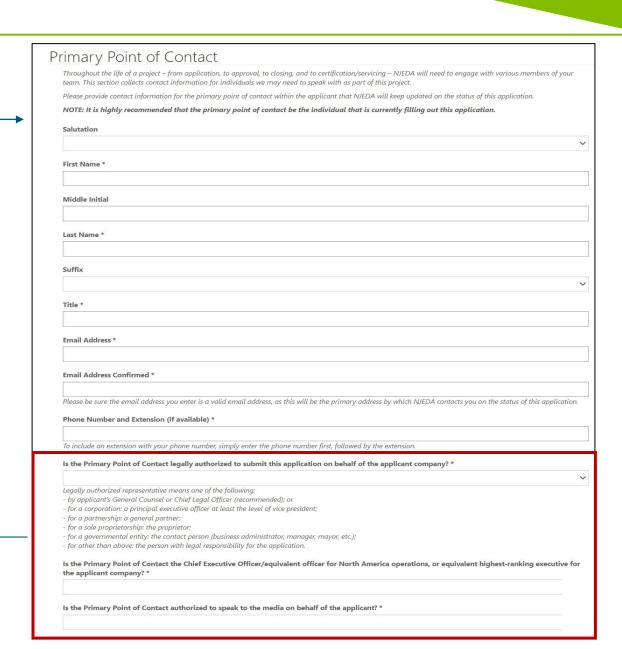
Provide contact information for the Primary Point of Contact for this application

Is the Primary Point of Contact legally authorized to submit the application on behalf of the applicant company?*

Is the Primary Point of Contact the CEO?*

Is the Primary Point of Contact authorized to speak to the media on behalf of the company?*

If the answer is <u>"No"</u> to any of the above questions, the applicant will have an opportunity to enter this information later in the application.



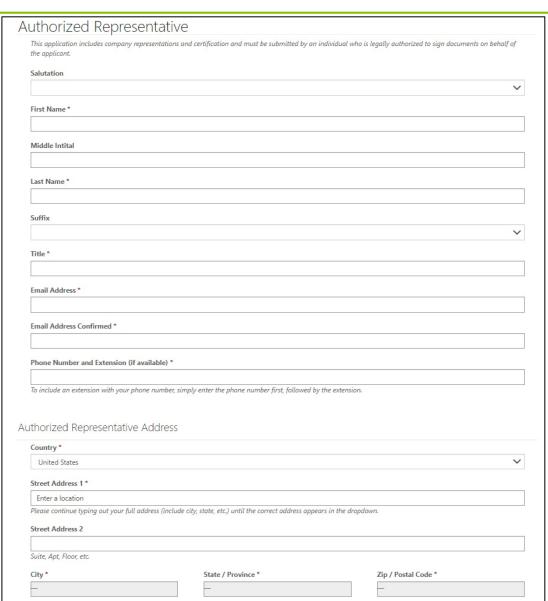
Authorized Representative

If the Primary Point of Contact is NOT the Authorized Representative, the applicant will be prompted to fill out the contact information for the Authorized Representative.

The application must be submitted by an individual who is legally authorized to sign documents on behalf of the applicant company.

NOTE: If the Primary Point of Contact is the Authorized Representative you will not see this page.

Please type your full address into the "Street Address 1" box (include city, state, etc.) until the correct full address appears in the dropdown menu underneath, then click on the correct address.

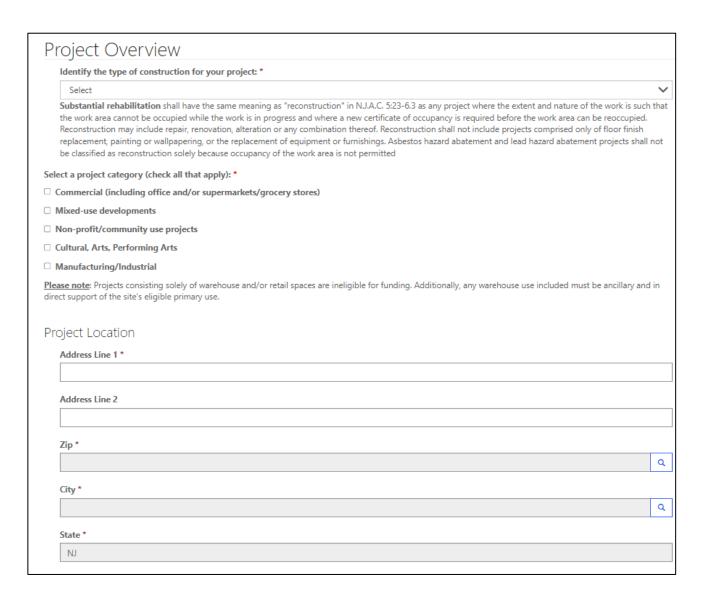




Real Estate Gap Financing -- Project Overview

In this section, we would like to learn about the location of your project, type of project to be developed, new construction or substantial rehabilitation, etc.

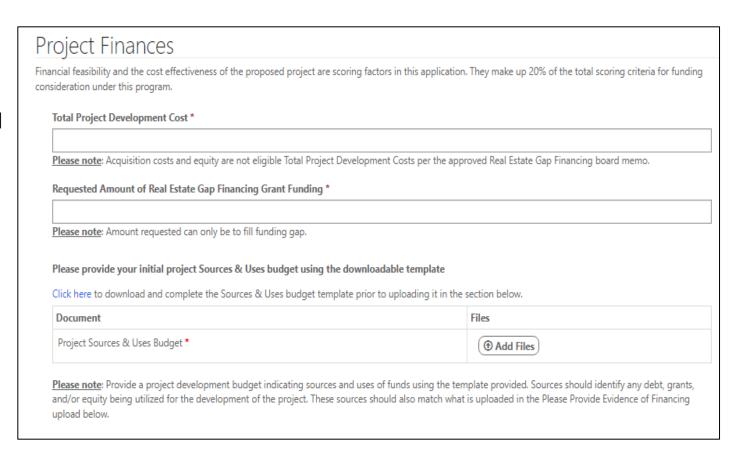
Project Narrative – please upload an overall proposal



Project Finances (1/2)

Download the Project Budget template provided in the application and input project costs before uploading as an excel file.

**Grant funding may not exceed 50% of the total of all project development costs. Property acquisition costs/equity are not be to considered as part of total project development costs.



Project Finances (2/2)

Please provide an operating Proforma

Document	Files
Operating Proforma *	① Add Files

<u>Please note</u>: Proforma must include all secured/proposed sources & uses (including any subsidies, equity, debt, etc.) in an Excel file. Operating Proforma should show (a minimum of) 10 years of operations. If the proposed project has multiple units (residential or commercial), identify rent per unit. Calculations should show gross revenues, operating expenses, net cash flow, any debt payments, and net operating income. Applicant must ensure that file has columns/rows clearly labeled and/or annotated and that the Authority can view formulas (where applicable) used to calculate payments and returns.

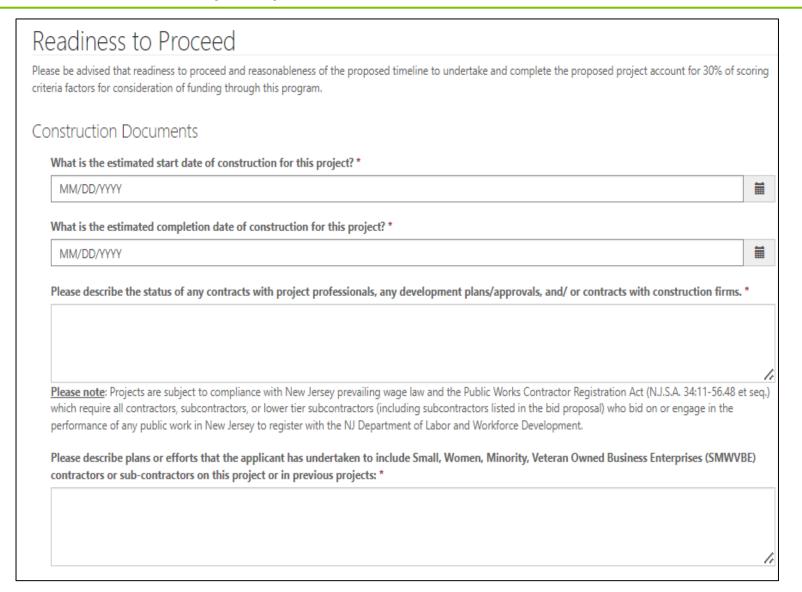
Please provide evidence of financing

Document	Files
Evidence of Financing *	① Add Files

<u>Please note</u>: Documents uploaded here should correspond with the sources of funds identified in the Sources & Uses budget above. For debt financing, please provide term sheets, commitment letters or other documentation evidencing the financing. This documentation should include information on the lender, duration of validity of loan commitment, and key loan terms. For grants, subsidies, tax credits, and the like, documentation should include the source, date of commitment, term of validity of commitment, amount of commitment, etc. For applicant equity, documentation may be in the form of a bank statement (for a private company)

Previous Next

Readiness to Proceed (1/2)



Readiness to Proceed (2/2)

Permits & Timelines

Approvals and Permits

In the upload section below, please provide a narrative or chart outlining and describing all local/county/state/ other data approvals and / or permits needed for development of the proposed project.

For each approval or permit, indicate status, including, if applicable, but not limited to status for zoning board, planning board review(s) and approval(s), NJDEP permits, and utility connections permits.

Document	Files
Approvals and Permits Upload *	① Add Files

Project Development Timeline

In the upload section below, please provide a narrative or Gantt chart summarizing major project development milestones with start and completion dates which should include the major tasks below (but may include others):

- Site control/site ownership
- · Completion of initial architectural plans
- Construction contract
- Applications for and obtaining of zoning board (if applicable), planning board (if applicable) review(s) and approval(s), and any other federal, state, county, or municipal approvals (e.g., DEP permits, utility connections permits, soil conservation)
- Securing financing commitments
- · Estimated timing for initial closing on financing, including EDA funds
- Construction start
- · Construction completion
- · Issuance of Certificate of occupancy/completion

Document	Files
Project Development Timeline Upload *	① Add Files

<u>Please note</u>: Under federal guidelines, all program funding must be expended by December 31, 2026. Please provide detailed responses with confirmed and/or estimated timelines for each item. The proposed timeline will be evaluated from a readiness to proceed perspective.

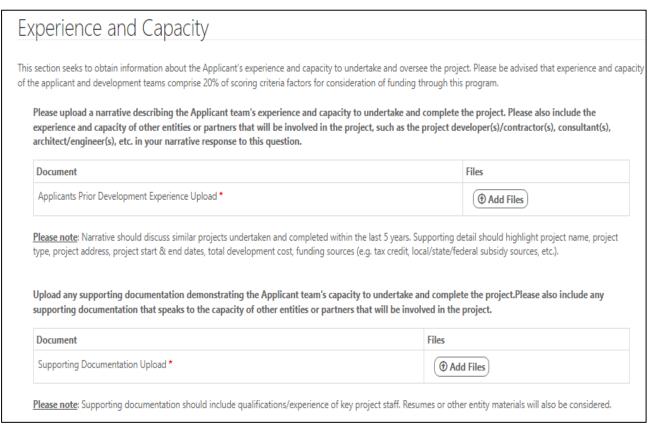
Previous Next

Experience and Capacity

In this section, we want to understand your team's prior relevant work experience and the competencies on your team that will ensure the success of this project.

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.





REGF Program Questions

NJEDA will accept questions regarding this program during the first 30 days following application launch.

Please submit all questions by November 12, 2024 to realestateinfo@njeda.gov

Questions and responses will be posted on the Authority's webpage for this program.



Contact Us

For program questions/inquiries please contact:

realestateinfo@njeda.com

Stay up to date with the NJEDA at

www.njeda.gov and @NewJerseyEDA















