



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: December 19, 2024

SUBJECT: Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program

Summary

The Members are asked to approve:

1. Creation of the Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program which will make grants available for projects to strengthen food access and food security focused on New Jersey's most acute Food Desert Communities (FDCs)
2. Utilization of up to \$30 million in proceeds from the NJEDA Food Desert Relief Tax Credit Auction to initially fund the Program
3. Delegation to the Chief Executive Officer to accept up to \$5,000,000 in additional funds to be deposited into the Economic Recovery Fund for the Program including but not limited to unused or unspent funds from previously approved NJEDA food security programs and/or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction
4. Charging no fees in the FEED NJ Pilot Program, due to the nature of the program and the mission of the prospective applicant pool

Background

In January 2021, Governor Phil Murphy signed the Food Desert Relief Act (FDRA), which allocated to NJEDA a total of \$240 million in tax credits over six years and directed NJEDA to collaborate with the New Jersey Departments of Community Affairs and Agriculture to designate up to 50 Food Desert Communities (FDCs) across the state.

Alongside these other Departments, NJEDA undertook rigorous, data-driven analysis and community engagement to shape a definition of FDCs that is broader and more comprehensive than the definition used by the United States Department of Agriculture, taking into account more than 24 variables related to the food retail environment, demographics, economic factors, health factors, and community factors. The process resulted in the designation of 50 areas of the state as FDCs, a list approved by the Board in February 2022.

These communities are home to more than 1.5 million residents and are in every county in New Jersey.¹ The underlying data analysis allowed the FDCs to be ranked by a Composite Food Desert Factor Score, indicating the acuity or severity of their food desert status.²

¹ <https://njdca.maps.arcgis.com/apps/webappviewer/index.html?id=cd59d206f39c40a691d6ba38598134fb>

² https://www.njeda.gov/wp-content/uploads/2022/02/Community-Development-Memo_Food-Desert-Communities-Designation_February-2022.pdf

Just as there is no one cause for a community's food insecurity, there is no one solution either. To address these multifaceted challenges, NJEDA offers a range of programs taking different approaches to expanding food access. This includes the following:

- Food Security Planning Grant Program, which awarded grants to municipal and county governments to leverage distressed assets in FDCs and propose a plan focusing on improved food access
- Atlantic City Food Security Grants Pilot Program, which awarded grants to improve food access in Atlantic City, New Jersey's second most acute FDC, and is detailed further below
- Food Desert Relief Supermarket Tax Credit Program, which offers a Financing Gap Tax Credit for the development of new or rehabilitated supermarkets in FDCs, and an Initial Operating Costs Tax Credit to support the first three years of operations for these supermarkets
- Food Retail Innovation in Delivery Grant (FRIDG), which awards grants to food retailers to purchase self-contained, temperature-controlled lockers for grocery delivery to FDCs

NJEDA recognizes a need to meet the unique context and circumstances of FDCs across the state. To that end, staff proposes creating the Food Equity and Economic Development in NJ (FEED NJ) Pilot Program focused on the state's most acute FDCs. The FEED NJ Pilot Program aims to catalyze innovative, sustainable, and scalable food security and food access initiatives with high potential to maximize community-level impact.

Food Desert Relief Tax Credit Auctions

The FDRA allows the NJEDA to sell a portion of the \$240 million in tax credits allocated by the FDRA (\$40 million annually) through tax credit auctions. Eligible bidders can purchase available credits for a minimum of 85 percent of face value to offset New Jersey Corporation Business Tax or Insurance Premiums Tax liabilities. The CEO established the amount of tax credits to be auctioned in 2023 and 2024, up to the amount approved by the Board, based on an assessment of economic and market conditions.

In April 2023, the Board approved the sale of up to \$50 million in available tax credits in calendar year 2023. In accordance with the delegated authority in the Board approval, the CEO determined to offer \$15 million of tax credits for auction. Four eligible bids were approved in December 2023 for a total of \$15 million in tax credits approved and \$13.075 million in proceeds.

In February 2024, the Board approved the sale of up to \$35 million in available tax credits in calendar year 2024. In accordance with the delegated authority in the Board approval, the CEO determined to offer \$20 million of tax credits for auction. Six eligible bids were received and are expected to be approved before the end of 2024, bringing in an anticipated minimum of \$17 million in proceeds.

In accordance with the FDRA, proceeds from the auction must be used to fund programs to alleviate food deserts and support food security initiatives in FDCs.

Atlantic City Food Security Grants Pilot Program

In October 2023, the Board approved the creation of the Atlantic City Food Security Grants Pilot Program, a \$5,250,000 program to make grants of \$50,000 to \$500,000 available for projects that strengthen food access and food security in Atlantic City, the state's second highest ranked FDC.

This program was funded by \$4 million of American Rescue Plan (ARP) Coronavirus State Fiscal Recovery Funds (SFRF) appropriated for Atlantic City Initiatives and \$1.25 million from a FY22 appropriation of State funds for Food and Agriculture Innovation.

Applications for the Atlantic City Food Security Grants Pilot Program opened on April 2, 2024, and were accepted until May 14, 2024. Twenty applications were submitted during this time. The \$5.25 million of program funding was sufficient to approve and fully fund the 11 highest-scoring applications, totaling \$5.12 million in grant awards. A wide range of projects were approved,

including the construction of a new food pantry and co-op market, the creation of a Farm Share Community Supported Agriculture (CSA) program with online ordering, and the expansion of free meal delivery services for seniors.³ Initial grant disbursements will soon be underway, and projects will be completed by September 30, 2026.

FEED NJ Pilot Program

In light of the successful Atlantic City Food Security Grants Pilot Program, staff now proposes the establishment of the FEED NJ Pilot Program, focused on 14 of the state’s top 15 most acute FDCs. The number two-ranked Atlantic City/Ventnor FDC is excluded from the FEED NJ Pilot Program since it was the sole focus of the Atlantic City Food Security Grants Pilot Program.

New Jersey’s top 15 FDCs, ranked in order, are shown in white, below (with #2 Atlantic City/Ventnor FDC and the #16–50 FDCs in gray):

Table 1: New Jersey Food Desert Communities⁴

Rank	Food Desert Name	County	Composite Food Desert Factor Score	Food Desert Population
1	North, Central and South Camden/Woodlynne*	Camden	86.2	44,702
2	<i>Atlantic City*/Ventnor</i>	<i>Atlantic</i>	<i>78.8</i>	<i>41,382</i>
3	Newark South	Essex	74.2	42,713
4	Newark West	Essex	72.7	49,065
5	Camden East/Pennsauken	Camden	72.1	49,689
6	Trenton West	Mercer	71.8	27,151
7	Newark North and Central	Essex	70.6	50,855
8	Newark East	Essex	69.7	40,427
9	Salem City*	Salem	69.6	5,296
10	Passaic City	Passaic	68.4	39,336
11	Trenton East	Mercer	68.1	57,113
12	Bridgeton/Fairfield Twp/Lawrence Twp*	Cumberland	65.3	29,167
13	Paterson South	Passaic	64.5	35,825
14	New Brunswick City	Middlesex	64.1	49,408
15	Paterson North	Passaic	63.9	46,602
16	Irvington Township	Essex	61.2	31,393
17	Asbury Park City	Monmouth	60.8	14,547
18	Jersey City South	Hudson	60.5	68,636
19	East Orange City	Essex	59.9	65,254
20	Penns Grove*/Carneys Point*	Salem	59.9	13,474
21	Elizabeth City	Union	58.5	69,264

³ A full list of grantees is available on pages 166 and 167 of the September 2024 full Board agenda: <https://www.njeda.gov/september-11-2024-eda-board-book/>

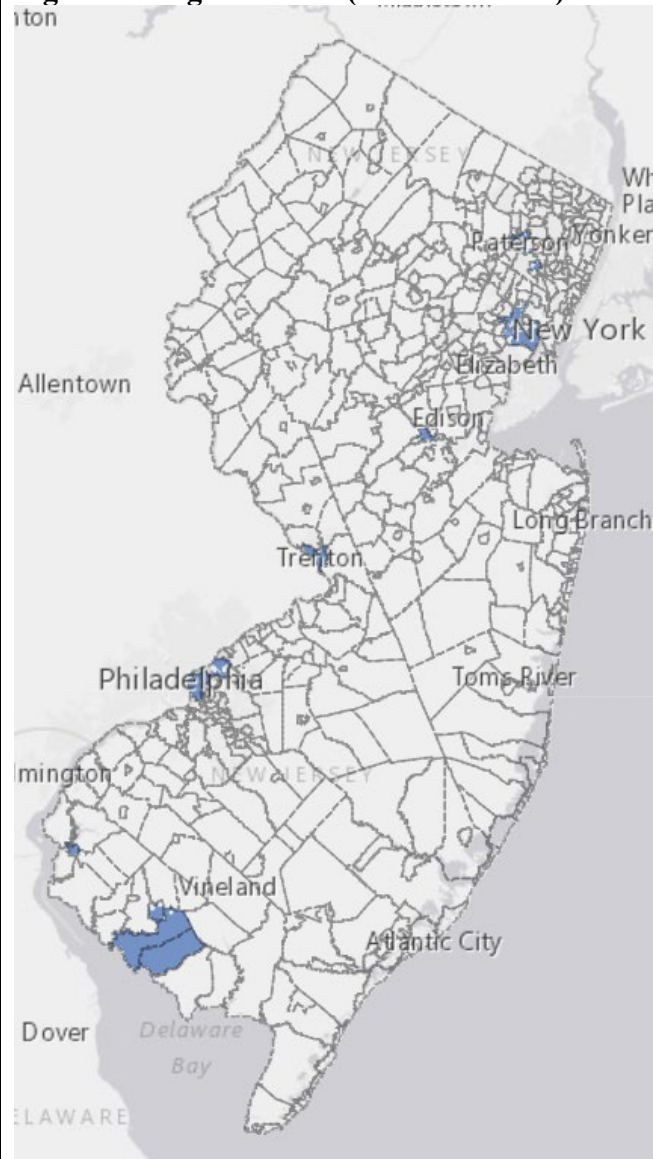
⁴ https://www.njeda.gov/wp-content/uploads/2022/02/Community-Development-Memo_Food-Desert-Communities-Designation_February-2022.pdf

22	Orange/West Orange/Montclair	Essex	57.8	50,522
23	Jersey City Central	Hudson	57.6	58,929
24	Perth Amboy City	Middlesex	57.0	30,997
25	Lindenwold/Clementon*	Camden	56.8	19,469
26	Plainfield City	Union	56.4	37,829
27	Pleasantville/Absecon	Atlantic	56.0	9,874
28	Red Bank Borough	Monmouth	55.6	1,508
29	Lakewood North	Ocean	52.1	49,364
30	Jersey City North	Hudson	51.5	62,363
31	Woodbine Borough*	Cape May	51.2	2,128
32	Long Branch City	Monmouth	51.2	27,013
33	Millville/Commercial Twp*	Cumberland	49.9	25,634
34	Prospect Park/Haledon/Hawthorne	Passaic	49.4	11,846
35	Keansburg Borough*	Monmouth	49.1	9,755
36	Paulsboro Borough	Gloucester	48.8	2,282
37	Lakewood South	Ocean	48.5	49,831
38	North Bergen/West New York/Guttenberg	Hudson	48.4	48,711
39	Fairview Borough	Bergen	48.3	1,135
40	Egg Harbor City*	Atlantic	47.1	4,396
41	Burlington City	Burlington	46.1	6,101
42	Linden/Roselle	Union	45.7	36,659
43	Vineland City	Cumberland	45.2	13,273
44	Phillipsburg Town	Warren	44.4	13,823
45	Bayonne City	Hudson	42.7	28,718
46	Dover Town	Morris	42.5	10,478
47	Bound Brook Borough	Somerset	42.4	1,823
48	Union City	Hudson	34.9	23,926
49	High Bridge Borough	Hunterdon	26.5	1,221
50	Montague Township*	Sussex	25.1	3,792

**Asterisks indicate that the entirety of that municipality is included in the food desert community. Otherwise the FDC covers only a portion of the municipality.*

NOTE: The full interactive map of Food Desert Communities is available on EDA's website at <https://njdca.maps.arcgis.com/apps/webappviewer/index.html?id=cd59d206f39c40a691d6ba38598134fb>

Figure 1: Eligible FDCs (shaded in blue)



Source:

<https://njeda.maps.arcgis.com/apps/webappviewer/index.html?id=334118d138354b0d95763260aa8c55eb>

The 14 eligible FDCS (i.e. the top 15 FDCs, excluding Atlantic City/Ventnor), are spread across eight counties, comprise portions of 11 municipalities, and are home to 567,349 residents. All have composite food desert factor scores of 63.9 and above, indicating significant need. Notably, four cities — Camden, Newark, Trenton, and Paterson — are represented more than once, encompassing 10 of the top 15 FDCs.

This memo proposes funding projects that can have an impact on residents of the state’s most acute FDCs, improving their ability to access food, while simultaneously benefitting employment by helping applicants expand or increase their activities.

Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program

Geographic Eligibility: This program focuses on 14 of New Jersey’s top 15 FDCs, excluding Atlantic City/Ventnor. As noted in Table 1 above, the boundaries of an FDC generally do not include an entire municipality because FDCs are designated at the block-group level. The boundaries of eligible FDCs can be seen in the [interactive map](#) available on EDA’s website. To

target resources to the most acute FDCs in New Jersey, FEED NJ will only support projects that propose to primarily serve residents of one or more of the 14 eligible FDCs. Applicants may also elect to serve additional NJEDA-designated FDCs, provided the primary focus remains on at least one of the 14 eligible FDCs.

Applicant Eligibility: Applicants must meet the following basic eligibility criteria to proceed to further scoring and evaluation:

- Applicant is a for-profit or nonprofit entity that has been in existence for at least two years at the time of application
- Applicant is in good standing with the NJ Department of Labor and Workforce Development and the NJ Department of Environmental Protection
- Applicant is registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation, as evidenced by a current Tax Clearance Certificate
- For projects involving construction, applicant must provide evidence of site control or a path to site control at the time of application

Applicants are limited to one application per EIN. Municipalities and other government agencies are not eligible to apply for this grant opportunity. Applicants are subject to the Authority's Disqualification/Debarment Rules.

Applicants may propose collaborating with other entities. If any other entity will incur expenses as part of the proposed project, those expenses and that entity's role must be described in the application. NJEDA will disburse grant funds only to the applicant entity directly and will not permit a joint venture. Joint ventures are not eligible to apply for this grant opportunity.

Eligible Uses: Grant funds will be awarded only to applicants that indicate that they will use the grant funds for projects to improve food access and/or food security that primarily serve residents in one or more of the 14 eligible FDCs.⁵ Proposed projects may be new initiatives, an expansion of existing services, or both. The proposed project must primarily serve residents of one or more of the 14 eligible FDCs.

Acquisition of land or buildings, ground-up construction, fines incurred because of code or zoning violations, and major renovations (e.g. construction of an additional floor or an addition to the building footprint) are not eligible costs. All other costs that are incurred after the date of grant agreement execution are eligible, subject to the Authority's approval of the project budget and supporting documentation. For example, costs can include minor renovation, equipment, installation, salaries and fringe, and rent.

As required by law, construction, including use of trades in construction related to installation of equipment, will be subject to state affirmative action requirements for contractors, and such work with a cost of \$2,000 or more will be subject to New Jersey prevailing wage requirements. Additionally, grantees must utilize contractors registered as a New Jersey Public Works Contractor with the Department of Labor and Workforce Development for work subject to prevailing wage.

Award Size: Applicants may request a grant amount from a minimum of \$50,000 to a maximum of \$500,000. Grant funds may cover up to 100 percent of the proposed project costs. If grant funds from EDA are not requested to cover 100 percent of the proposed project costs, additional funding sources (both potential and secured) must be described in the budget narrative submitted with the application.

⁵ NJEDA will use the definition of "food security" offered by the New Jersey Office of the Food Security Advocate: "Food security exists when all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food which meets their dietary needs and food preferences for an active and healthy life."

Fees: As allowed by EDA's recently revised fee rules, no application fee will be charged due to the nature of this program, which is designed to serve the most acute FDCs across the state. Because the program is aimed at reducing food insecurity in areas of high need, and because applicants are likely to include nonprofit organizations with a mission of addressing hunger and poverty, staff propose charging no application fee nor any other fees in this program.

Grant Term: Selected applicants will enter into a grant agreement with NJEDA. Applicants can propose to complete their projects within either 12 or 24 months, subject to one 6-month extension, at NJEDA staff's sole discretion, if NJEDA determines the grantee is diligently pursuing the use and the delay was unforeseeable and not in the grantee's control.

Application

A competitive application process will be established for this program. Applicants must provide to NJEDA information about their organization and their proposed project, including but not limited to:

- A description of the applicant's mission and capacity to undertake the proposed project, including current and past experience:
 - Serving residents of the selected FDC(s)
 - Providing programming or services related to food access and food security
 - Successfully executing projects similar in scale and budget
 - Serving the target population or other populations with similar attributes
 - As applicable, serving recipients of federal and state nutrition benefits and/or working on multi-stakeholder projects
- Identification of specific eligible FDC(s) the proposed project will primarily serve, as well as any additional FDCs
- Compelling, detailed description of the proposed project, including its expected impact on food access and/or food security for residents of the selected FDC(s)
 - Overall project goals
 - Connection between project and existing food access needs and challenges in selected FDC(s)
 - Demonstration that the project's primary focus and impact will be for residents of the selected FDC(s)
 - Description of the role of each proposed collaborator, including the scope of their contribution and a justification for their participation
- A work plan, which must include at minimum:
 - Specific Measurable Achievable Relevant Time-bound (SMART) objectives
 - Description of each project activity, including estimates of resources needed and allocated
 - A project timeline, including milestones and the length of time needed to implement each activity within the grant period
 - Identification of appropriate staff responsible for each project activity
 - If collaborating or partnering with other entities to achieve the goals and objectives proposed in the application: name, scope of work and justification for any planned collaborators
- A justification of the proposed project's viability and long-term sustainability, including details about ongoing/previous planning, existing applicant capabilities, potential risks/contingencies, and how the proposed project will continue to achieve the desired outcomes during and after the end of the grant term.

- For projects involving construction, evidence of site control or a path to site control must be provided at the time of application
- If applicable, evidence of commitment from project collaborators and/or key stakeholders must also be submitted
- A description of ongoing and planned community engagement efforts, including details about efforts to seek and respond to feedback from stakeholders, as well as to consider and mitigate past obstacles to community food security
 - At least one letter of support from an entity that serves at least one of the selected eligible FDC(s) is required. If an applicant proposes serving multiple FDCs, multiple letters may be submitted to demonstrate engagement with entities serving those communities.
- A line-item budget and budget narrative, which must include at minimum:
 - The requested level of funding broken down by line item and clearly explained
 - For projects involving construction, a contingency set-aside of at least 10% of total construction costs
 - Description, evidence, and status of outside funds, if the total project cost exceeds the requested grant amount
 - Amount, description, and rationale for funding allocated to any planned collaborator entities

Application and Review Process

Applications will be accepted during a six-week application period. Applications will first be evaluated for completeness and eligibility. Applicants that fail to provide required information will be provided an opportunity to cure those deficiencies before a final completeness and eligibility review. Following this review, applications that are incomplete, including those that do not provide responses to all required questions or fail to provide all required documentation, will be rejected. Applications that do not meet the applicant eligibility criteria will be declined and will not proceed to scoring.

All complete and eligible applications will proceed to scoring. Scoring will be conducted by a committee of NJEDA staff. Staff will use the below scoring criteria to determine if the application meets the requirements of the program. See Appendix B for a full scoring rubric.

A minimum score of 70 points, including a minimum of 8 points in the Strength of Budget and Budget Narrative criterion, will be required out of a maximum total score of 100 to be considered for an award. Only applications scoring at or above both of these two minimum scores will be considered for an award.

Board Approval

Following successful eligibility, scoring, and disqualification reviews, applications will be presented to the Board for funding approval. Staff will request funding be allocated to the highest scoring applicants, proceeding in decreasing order of score to other applicants that meet the minimum score requirement, until insufficient funds remain to fully fund the next eligible application.

If funds remain, NJEDA staff will notify the next highest scoring applicant that meets the minimum score requirement and specify the amount of funds remaining. The applicant will have 10 business days from the date of being notified to either accept the partial funding and provide proof of additional funding to cover the remaining project costs or to revise their scope of work and budget to match the partial funding. If the applicant declines the partial funding, staff will notify the next highest scoring applicant that meets the minimum score requirement.

Scoring Criteria

Criterion #1: Organizational Capacity (up to 20 points) – Factors considered include:

- Applicant's ability to successfully complete the proposed project in a timely manner
- Applicant's experience providing programs or services related to food access and/or food security, including but not limited to food distribution, nutrition education, local agriculture, and/or food retail (such programming may be different than the food security or food access activities proposed for the grant)
- Applicant's experience successfully executing projects similar in scale and budget
- Applicant's experience serving the target population in the selected FDC(s) or other populations with similar attributes
- Among food retail projects, applicant's experience serving recipients of federal and state nutrition benefits, including SNAP and WIC
- As applicable for the proposed project, applicant's experience working effectively on collaborative, multi-stakeholder projects

Criterion #2: Project Impact (up to 20 points) – Factors considered include:

- Potential impact of proposed project on food access and/or food security for residents of selected FDC(s)
- Clarity, specificity, cogency, and thoughtfulness of overall project description and goals
- Breadth of potential impact, as shown by estimated number of people to be served
- Depth of potential impact, as shown by the level or frequency of services to be provided, and/or by the project's potential impact on populations within selected FDC(s)
- Applicant's understanding of food access needs and challenges in selected FDC(s) — and how proposed project directly relates to these needs and challenges
- Potential impact of the proposed project on advancing the applicant's overall mission or primary line of business

Criterion #3: Work Plan Quality (up to 15 points) – Factors considered include:

- Comprehensiveness, clarity, and detail of work plan, including objectives, timeline/milestones, scope of work, estimates of resources needed and allocated, planned collaborators
- Feasibility and reasonableness of work plan as proposed, including timeline and milestones
- Evidence of thorough planning of activities to expand food access and/or food security for residents of selected FDC(s)
- Alignment between work plan and project description/goals

Criterion #4: Project Viability and Sustainability (up to 15 points) – Factors considered include:

- Potential for project to remain viable and sustainable upon conclusion of NJEDA grant term
- Alignment of proposed project and funding request with applicant's existing financial and administrative capabilities
- Evidence of ongoing or previous project planning (e.g. feasibility studies)
- Evidence of site control, a path to site control, or site use authorization
- Evidence applicant has considered potential risks to project success and contingencies for addressing these risks
- If applicable, evidence of commitment from project collaborators
- If applicable, evidence of engagement with key stakeholders needed for project success (e.g. suppliers)

Criterion #5: Community Engagement (up to 15 points) – Factors considered include:

- Applicant’s depth of experience/track record of serving residents of selected FDC(s)
- Applicant’s track record of seeking and responding to feedback from stakeholders, such as community members, customers, or advocates
- Proposed project-specific outreach and engagement activities
- Evidence of community support, as demonstrated through Letters of Support from one or more entities serving the selected FDC(s)
- Applicant’s ability to consider and mitigate obstacles that have created past challenges to community food access/food security in the selected FDC(s)

Criterion #6: Strength of Budget and Budget Narrative (up to 15 points, 8 point minimum required to be eligible to be awarded funding) – Factors considered include:

- Comprehensiveness, clarity, and detail of budget and budget narrative
- Strength of justification for proposed costs in budget narrative, as demonstrated through connection to food access and/or food security for residents of selected FDC(s)
- Reasonableness of proposed expenses and requested level of funding
- Alignment between budget, budget narrative, and work plan (i.e. proposed costs, planned outcomes, and project goals)
- If applicable, evidence and status of outside project funding, as demonstrated through the budget narrative
- If collaborating or partnering with other entities, strength of rationale for partnership and reasonableness of associated costs

In the event of a tie in scoring, the recommendation for award will be made based on point 1 below. If point 1 is equal, then recommendation for award will be made based on point 2.

1. Preference to applicant with a higher “Project Impact” criterion score
2. Preference to applicant that has secured additional outside funding for total project costs, as demonstrated through the budget narrative

Closing Requirements

Following approval by the Board and execution of their award letter, approved applicants must meet certain requirements of closing before a grant agreement will be executed. If applicant fails to meet closing requirements within 90 business days of receiving the grant agreement, NJEDA staff will return to the Board to seek approval for the next highest scoring eligible applicant that meet the minimum score requirement. For projects involving construction, applicants must provide evidence of site control for the duration of the grant term. For all other projects, applicants must provide evidence of site control for the duration of the grant term if applicable and at the discretion of the Authority. Applicants that identified outside funding sources in their project budget must provide evidence of commitment/availability of such funding.

Post-Closing Compliance and Disbursement Schedule

Grantees will be required to provide progress and expenditure reports to NJEDA quarterly, starting at grant execution and extending through the end of the grant term of either 12 or 24 months. At the end of the grant term, these quarterly reports will be replaced by final progress and expenditure reports. These reports must provide updates on grantees’ progress against their proposed project timeline, data on the project’s outcomes and impact (e.g. number of people served), and project costs since the last report.

Funds will be disbursed according to the following schedule:

- 30 percent of the grant will be disbursed upon execution of a grant agreement between NJEDA and the selected applicant;
- Once the applicant’s quarterly expenditure reports demonstrate that the initial disbursement has been spent on eligible costs, further expenditures on eligible costs will be reimbursed on a quarterly basis, up to a maximum of 50 percent of the grant amount, upon the Authority’s review and approval of the applicant’s quarterly expenditure reports; and
- Up to 20 percent of the grant amount will be disbursed upon the Authority’s review and approval of the applicant’s final progress and expenditure reports.

Approval of these reports will be contingent on Applicant demonstrating that expenditures were made for eligible costs. Disbursements will be made only up to the value of actual eligible costs or the approved grant amount, whichever is lower.

Months After Grant Agreement	12-Month Grant Term		24-Month Grant Term	
	Reports Due	Disbursement	Reports Due	Disbursement
0	N/A	30% of grant	N/A	30% of grant
3	Quarterly progress & expenditure reports	Total eligible expenditures minus initial disbursement amount, up to a maximum of 50% of the grant	Quarterly progress & expenditure reports	Total eligible expenditures minus the initial disbursement amount, up to a maximum of 50% of the grant
6				
9				
12	Final progress & expenditure reports	Up to 20% of grant		
15	N/A	N/A		
18				
21				
24			Final progress & expenditure reports	Up to 20% of grant

Budget modifications will be allowed for all grantees, subject to limitations to be set in the grant agreement. For example, a grantee whose project involves construction may request a budget modification to reallocate the reserved contingency funds for another relevant purpose, if construction is completed without the need for those funds.

Among other standard defaults, NJEDA may recapture any grant funds used for an ineligible purpose and may recapture any grant funds for a purpose outside of any approved scope of work. Failure to submit required reports may be an event of default.

Funding Source

The FEED NJ Program will be initially funded by proceeds from NJEDA’s 2023 and 2024 Food Desert Relief Tax Credit Auctions. The FDRA allowed the NJEDA to sell a portion of the \$240 million in tax credits allocated by the FDRA (\$40 million annually) through tax credit auctions. Eligible bidders could purchase available credits for a minimum of 85 percent of face value for New Jersey Corporate Business Tax or Insurance Premiums Tax liabilities. In accordance with the FDRA, proceeds from the auction must be used to fund programs to alleviate food deserts and support food security initiatives in FDCs through grants, loans, and/or technical assistance.

In April 2023, the Board approved the sale of up to \$50 million in available tax credits in calendar year 2023. In accordance with the delegated authority in the Board approval, the Chief Executive Officer determined to offer \$15 million of tax credits for auction.

The 2023 Food Desert Relief Tax Credit Auction was open from September 18, 2023, to October 18, 2023. Four eligible bids were approved in December 2023 for a total of \$15 million in tax credits approved and \$13.075 million in proceeds.

In February 2024, the Board approved the sale of up to \$35 million in available tax credits in calendar year 2024. In accordance with the delegated authority in the Board approval, the Chief Executive Officer determined to offer \$20 million of tax credits for auction.

The 2024 Food Desert Relief Tax Credit Auction was open from August 28, 2024, to September 27, 2024. Six bids were received totaling \$25.75 million in tax credit requests. Staff anticipate receiving a minimum of \$17 million in proceeds. Together with the proceeds of the 2023 auction, an estimated \$30 million in total proceeds will be available to initially fund the FEED NJ Program. Should one or more bidders withdraw or fail to submit payment, the amount of funding dedicated to the FEED NJ Program will be reduced accordingly.

The auction proceeds will be deposited in the Economic Recovery Fund (ERF). ERF authorizes a grant as listed under N.J.S.A § 34:1B-7.13(a)(12) for:

“a fund to provide grants or competition prizes, either directly or through a not-for-profit entity, that is consistent with economic development priorities as defined by the authority's board, where funds have been specifically allocated to the economic recovery fund for this purpose, including but not limited to an appropriation or transfer from another government entity.”

Furthermore, should additional funds become available, including but not limited to unused or unspent funds from previously approved NJEDA food security programs and/or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction, staff are requesting delegation to the Chief Executive Officer to accept up to \$5,000,000 in additional funds to be deposited into ERF for the FEED NJ Program.

Governor Murphy's economic plan, “The State of Innovation: Building a Stronger and Fairer Economy in New Jersey” identifies several economic development priorities, including “investing in communities to build world-class cities, towns, and infrastructure statewide.” The FEED NJ Program is guided by this priority, as it seeks to improve the quality of life in New Jersey's Food Desert Communities by increasing food access and food security for residents.

Request for Delegation

Delegation to the Authority's Chief Executive Officer is requested of the Board of the Authority for the following item:

1. To accept up to \$5,000,000 in additional funds to be deposited into the Economic Recovery Fund for the Program from unused or unspent funds from previously approved NJEDA food security programs and/or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction. Previously approved NJEDA food security programs include the Food Retail Innovation in Delivery Grant (approved by the Board in December 2022 and extended in October 2024) and the Atlantic City Food Security Grant Pilot Program (approved by the Board in October 2023).

Recommendation

The Members are asked to approve:

1. Creation of the Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program which will make grants available for projects to strengthen food access and food security focused on New Jersey's most acute Food Desert Communities (FDCs)
2. Utilization of up to \$30 million in proceeds from the NJEDA Food Desert Relief Tax Credit Auction to initially fund the Program
3. Delegation to the Chief Executive Officer to accept up to \$5,000,000 in additional funds to be deposited into the Economic Recovery Fund for the Program including but not limited to unused or unspent funds from previously approved NJEDA food security programs and/or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction
4. Charging no fees in the FEED NJ Pilot Program, due to the nature of the program and the mission of the prospective applicant pool



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Attachments: Appendix A—Examples of Potential Projects
Appendix B—Scoring Detail
Appendix C—Product Specifications

Appendix A: Examples of Potential Projects

Projects must increase access to food for residents of the selected FDC(s), which may be accomplished in a number of ways. The below is a non-exhaustive list of potential projects to inspire creativity among potential applicants. Applicants may propose projects not captured by this list of examples. All applications will be scored using the criteria in this memo.

- Establishing, enhancing and/or operating a mobile market, food pantry, or food co-op
- Purchasing equipment, such as cold storage equipment or other kitchen appliances, for small retailers, community-based organizations, food banks, health care providers and/or emergency food providers
- Technical assistance and/or equipment to increase opportunities for residents to utilize nutrition benefits (e.g. Supplemental Nutrition Assistance Program, Special Supplemental Nutrition Program for Women, Infants, and Children, Senior Farmers Market Nutrition Program, etc.), such as at farmers markets, small or mid-sized food retailers, or through digital literacy training, case management, and/or assistance with online grocery ordering; this may also include the cost of purchasing and installing a refrigerated delivery locker, excluding any such costs covered via the NJEDA FRIDG program
- Increasing access to locally grown produce, including but not limited to expanding operation of a farmers' market, establishing a Community Supported Agriculture program, establishing or strengthening relationships between farmers and retailers, or establishing or expanding produce delivery
- Expanding services that provide food at no cost to residents in need, such as meal delivery to homebound residents, including increased operating costs associated with that expansion
- Accelerating existing planning and implementation efforts, such as the next steps of an NJEDA Food Security Planning Grant, to broaden food access opportunities

Appendix B: Scoring Detail

Criterion #1: Organizational Capacity (up to 20 points)

Factors considered include:

- Applicant's ability to successfully complete the proposed project in a timely manner
- Applicant's experience providing programs or services related to food access and/or food security, including but not limited to food distribution, nutrition education, local agriculture, and/or food retail (such programming may be different than the food security or food access activities proposed for the grant)
- Applicant's experience successfully executing projects similar in scale and budget
- Applicant's experience serving the target population in the selected FDC(s) or other populations with similar attributes
- Among food retail projects, applicant's experience serving recipients of federal and state nutrition benefits, including SNAP and WIC
- As applicable for the proposed project, applicant's experience working effectively on collaborative, multi-stakeholder projects

Criterion #1 will be measured using the scale below:

- 1–10 points: Applicant demonstrates minimal capacity and experience related to the proposed project
- 11–15 points: Applicant demonstrates moderate capacity and experience related to the proposed project
- 16–20 points: Applicant demonstrates superior capacity and experience related to the proposed project

Criterion #2: Project Impact (up to 20 points)

Factors considered include:

- Potential impact of proposed project on food access and/or food security for residents of selected FDC(s)
- Clarity, specificity, cogency, and thoughtfulness of overall project description and goals
- Breadth of potential impact, as shown by estimated number of people to be served
- Depth of potential impact, as shown by the level or frequency of services to be provided, and/or by the project's potential impact on populations within selected FDC(s)
- Applicant's understanding of food access needs and challenges in selected FDC(s) — and how proposed project directly relates to these needs and challenges
- Potential impact of the proposed project on advancing the applicant's overall mission or primary line of business

Criterion #2 will be measured using the scale below:

- 1–10 points: Application demonstrates minimal level of potential project impact
- 11–15 points: Application demonstrates moderate level of potential project impact
- 16–20 points: Application demonstrates superior level of potential project impact

Criterion #3: Work Plan Quality (up to 15 points)

Factors considered include:

- Comprehensiveness, clarity, and detail of work plan, including objectives, timeline/milestones, scope of work, estimates of resources needed and allocated, planned collaborators

- Feasibility and reasonableness of work plan as proposed, including timeline and milestones
- Evidence of thorough planning of activities to expand food access and/or food security for residents of selected FDC(s)
- Alignment between work plan and project description/goals

Criterion #3 will be measured using the scale below:

- 1–7 points: Work plan includes minimal detail on project activities, objectives, timeline and/or staffing
- 8–11 points: Work plan includes moderate detail on project activities, objectives, timeline and/or staffing
- 12–15 points: Work plan includes superior detail on project activities, objectives, timeline and/or staffing

Criterion #4: Project Viability and Sustainability (up to 15 points)

Factors considered include:

- Potential for project to remain viable and sustainable upon conclusion of NJEDA grant term
- Alignment of proposed project and funding request with applicant’s existing financial and administrative capabilities
- Evidence of ongoing or previous project planning (e.g. feasibility studies)
- Evidence of site control, a path to site control, or site use authorization
- Evidence applicant has considered potential risks to project success and contingencies for addressing these risks
- If applicable, evidence of commitment from project collaborators
- If applicable, evidence of engagement with key stakeholders needed for project success (e.g. suppliers)

Criterion #4 will be measured using the scale below:

- 1–7 points: Application demonstrates minimal level of project viability and sustainability
- 8–11 points: Application demonstrates moderate level of project viability and sustainability
- 12–15 points: Application demonstrates superior level of project viability and sustainability

Criterion #5: Community Engagement (up to 15 points)

Factors considered include:

- Applicant’s depth of experience/track record of serving residents of selected FDC(s)
- Applicant’s track record of seeking and responding to feedback from stakeholders, such as community members, customers, or advocates
- Proposed project-specific outreach and engagement activities
- Evidence of community support, as demonstrated through Letters of Support from one or more entities serving the selected FDC(s)
- Applicant’s ability to consider and mitigate obstacles that have created past challenges to community food access/food security in the selected FDC(s)

Criterion #5 will be measured using the scale below:

- 1–7 points: Application demonstrates minimal level of community engagement
- 8–11 points: Application demonstrates moderate level of community engagement
- 12–15 points: Application demonstrates superior level of community engagement

Criterion #6: Strength of Budget and Budget Narrative (up to 15 points, 8 point minimum required)

Factors considered include:

- Comprehensiveness, clarity, and detail of budget and budget narrative
- Strength of justification for proposed costs in budget narrative, as demonstrated through connection to food access and/or food security for residents of selected FDC(s)
- Reasonableness of proposed expenses and requested level of funding
- Alignment between budget, budget narrative, and work plan (i.e. proposed costs, planned outcomes, and project goals)
- If applicable, evidence and status of outside project funding, as demonstrated through the budget narrative
- If collaborating or partnering with other entities, strength of rationale for partnership and reasonableness of associated costs

Criterion #6 will be measured using the scale below:

- 1–7 points: Budget and budget narrative show minimal level of detail, connection to project goals, clarity of justification/explanation, and reasonableness
- 8–11 points: Budget and budget narrative show moderate level of detail, connection to project goals, clarity of justification/explanation, and reasonableness
- 12–15 points: Budget and budget narrative show superior level of detail, connection to project goals, clarity of justification/explanation, and reasonableness

Appendix C: Program Specifications

Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program Proposed Program Specifications December 19, 2024	
Funding Source	<p>FEED NJ will initially be funded by \$30 million in proceeds from NJEDA’s 2023 and 2024 Food Desert Relief Tax Credit Auctions. Should any unused or unspent funds from previously approved NJEDA food security programs or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction become available, staff are requesting delegation to the Chief Executive Officer to accept and deposit up to \$5,000,000 of these funds into ERF for FEED NJ.</p>
Program Purpose	<p>FEED NJ will make grants available for projects to strengthen food access and food security focused on New Jersey’s most acute Food Desert Communities (FDCs). In doing this, the program aims to catalyze innovative, sustainable, and scalable food security and food access initiatives with high potential to maximize community-level impact, while accounting for the unique context and circumstances of each FDC.</p>
Eligible Applicants	<p>Applicants must meet the following basic eligibility criteria to proceed to further scoring and evaluation:</p> <ul style="list-style-type: none"> • Applicant is a for-profit or nonprofit entity that has been in existence for at least two years at the time of application • Applicant is in good standing with the NJ Department of Labor and Workforce Development and the NJ Department of Environmental Protection • Applicant is registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation, as evidenced by a current Tax Clearance Certificate • For projects involving construction, applicant must provide evidence of site control or a path to site control at the time of application <p>Applicants are limited to one application per EIN. Municipalities and other government agencies are not eligible to apply for this grant opportunity.</p> <p>Applicants may propose collaborating with other entities. If any other entity will incur expenses as part of the proposed project, those expenses and that entity’s role must be described in the application. NJEDA will disburse grant funds only to the applicant entity directly and will not permit a joint venture. Joint ventures are not eligible to apply for this grant opportunity.</p>
Geographic Eligibility	<p>This program focuses on 14 of New Jersey’s top 15 FDCs, excluding Atlantic City/Ventnor. These FDCs are:</p> <ul style="list-style-type: none"> • North, Central and South Camden/Woodlynne • Newark South • Newark West • Camden East/Pennsauken • Trenton West • Newark North and Central • Newark East • Salem city • Passaic city

	<ul style="list-style-type: none"> • Trenton East • Bridgeton/Fairfield Twp/Lawrence Twp • Paterson South • New Brunswick city • Paterson North <p>The boundaries of eligible FDCs can be seen in the interactive map available on EDA’s website. To target resources to the most acute FDCs in New Jersey, FEED NJ will only support projects that propose to primarily serve residents of one or more of the 14 eligible FDCs. Applicants may also elect to serve additional NJEDA-designated FDCs, provided the primary focus remains on at least one of the 14 eligible FDCs.</p>
Eligible Uses	<p>Grant funds will be awarded only to applicants that indicate that they will use the grant funds for projects to improve food access and/or food security that primarily serve residents in one or more of the 14 eligible FDCs. Proposed projects may be new initiatives, an expansion of existing services, or both. The proposed project must primarily serve residents of one or more of the 14 eligible FDCs.</p> <p>Acquisition of land or buildings, ground-up construction, fines incurred because of code or zoning violations, and major renovations (e.g. construction of an additional floor or an addition to the building footprint) are not eligible costs. All other costs that are incurred after the date of grant agreement execution are eligible, subject to the Authority’s approval of the project budget and supporting documentation. For example, costs can include minor renovation, equipment, installation, salaries and fringe, and rent.</p> <p>As required by law, construction, including use of trades in construction related to installation of equipment, will be subject to state affirmative action requirements for contractors, and such work with a cost of \$2,000 or more will be subject to New Jersey prevailing wage requirements. Additionally, grantees must utilize contractors registered as a New Jersey Public Works Contractor with the Department of Labor and Workforce Development for work subject to prevailing wage.</p>
Application and Review Process	<p>A competitive application process will be established for this program. Applications will be accepted during a six-week application period. Applications will first be evaluated for completeness and eligibility. Applicants that fail to provide required information will be provided an opportunity to cure those deficiencies before a final completeness and eligibility review. Following this review, applications that are incomplete, including those that do not provide responses to all required questions or fail to provide all required documentation, will be rejected. Applications that do not meet the applicant eligibility criteria will be declined and will not proceed to scoring.</p> <p>All complete and eligible applications will proceed to scoring. Scoring will be conducted by a committee of NJEDA staff. Staff will use the below scoring criteria to determine if the application meets the requirements of the program. See Appendix B of the Board Memo for a full scoring rubric.</p> <ul style="list-style-type: none"> • Organizational Capacity (20 points)

	<ul style="list-style-type: none"> • Project Impact (20 points) • Work Plan Quality (15 points) • Project Viability and Sustainability (15 points) • Community Engagement (15 points) • Strength of Budget and Budget Narrative (15 points, 8 point minimum required) <p>A minimum score of 70 points, including a minimum of 8 points in the Strength of Budget and Budget Narrative criterion, will be required out of a maximum total score of 100. Only applications scoring at or above both of these two minimum scores will be considered for an award.</p> <p>In the event of a tie in scoring, the recommendation for award will be made based on point 1 below. If point 1 is equal, then recommendation for award will be made based on point 2.</p> <ol style="list-style-type: none"> 1. Preference to applicant with a higher “Project Impact” criterion score 2. Preference to applicant that has secured additional outside funding for total project costs, as demonstrated through the budget narrative
Board Approval	<p>Following scoring, applications will be presented to the Board for funding approval. Staff will request funding be allocated to the highest scoring applicants, proceeding in decreasing order of score to other applicants that meet the minimum score requirement, until insufficient funds remain to fully fund the next eligible application.</p> <p>If funds remain, NJEDA staff will notify the next highest scoring applicant that meets the minimum score requirement and specify the amount of funds remaining. The applicant will have 10 business days from the date of being notified to either accept the partial funding and provide proof of additional funding to cover the remaining project costs or to revise their scope of work and budget to match the partial funding. If the applicant declines the partial funding, staff will notify the next highest scoring applicant that meets the minimum score requirement.</p>
Grant Amounts	<p>Applicants may request a grant amount from a minimum of \$50,000 to a maximum of \$500,000. Grant funds may cover up to 100 percent of the proposed project costs. If grant funds from EDA are not requested to cover 100 percent of the proposed project costs, additional funding sources (both potential and secured) must be described in the budget narrative submitted with the application.</p>
Grant Term	<p>Selected applicants will enter into a grant agreement with NJEDA. Applicants can propose to complete their projects within either 12 or 24 months, subject to one 6-month extension, at NJEDA staff’s sole discretion, if NJEDA determines the grantee is diligently pursuing the use and the delay was unforeseeable and not in the grantee’s control.</p>
Fees	<p>As allowed by EDA’s recently revised fee rules, no application fee will be charged due to the nature of this program, which is designed to serve the most acute FDCs across the state. Because the program is aimed at reducing food insecurity in areas of high need, and because applicants are likely to include nonprofit organizations with a mission of addressing hunger and poverty, staff propose charging no application fee nor any other fees in this program.</p>

<p>Closing Requirements</p>	<p>Following approval by the Board and execution of their award letter, approved applicants must meet certain requirements of closing before a grant agreement will be executed. If applicant fails to meet closing requirements within 90 business days of receiving the grant agreement, NJEDA staff will return to the Board to seek approval for the next highest scoring eligible applicant that meet the minimum score requirement. For projects involving construction, applicants must provide evidence of site control for the duration of the grant term. For all other projects, applicants must provide evidence of site control for the duration of the grant term if applicable and at the discretion of the Authority. Applicants that identified outside funding sources in their project budget must provide evidence of commitment/availability of such funding.</p>
<p>Post-Closing Compliance</p>	<p>Grantees will be required to provide progress and expenditure reports to NJEDA quarterly, starting at grant execution and extending through the end of the grant term of either 12 or 24 months. At the end of the grant term, these quarterly reports will be replaced by final progress and expenditure reports. These reports must provide updates on grantees' progress against their proposed project timeline, data on the project's outcomes and impact (e.g. number of people served), and project costs since the last report.</p>
<p>Funding Disbursement</p>	<p>Funds will be disbursed according to the following schedule:</p> <ul style="list-style-type: none"> • 30 percent of the grant will be disbursed upon execution of a grant agreement between NJEDA and the selected applicant; • Once the applicant's quarterly expenditure reports demonstrate that the initial disbursement has been spent on eligible costs, further expenditures on eligible costs will be reimbursed on a quarterly basis, up to a maximum of 50 percent of the grant amount, upon the Authority's review and approval of the applicant's quarterly expenditure reports; and • Up to 20 percent of the grant amount will be disbursed upon the Authority's review and approval of the applicant's final progress and expenditure reports. <p>Approval of these reports will be contingent on Applicant demonstrating that expenditures were made for eligible costs. Disbursements will be made only up to the value of actual eligible costs or the approved grant amount, whichever is lower.</p>
<p>Recapture Provision</p>	<p>Among other standard defaults, NJEDA may recapture any grant funds used for an ineligible purpose and may recapture any grant funds for a purpose outside of any approved scope of work. Failure to submit required reports may be an event of default.</p>