

**NJEDA Cultural Arts Facilities Expansion Program (CAFE)**  
**2025 Summer Round 2 Application Round Questions and Answers Log v2 – updated 07/29/25**

#	Question	Answer
1	The [Redacted Entity] is a nonprofit community development corporation with jurisdiction in [redacted] neighborhood. The [redacted entity] has focused on the development of arts and culture institutions as our niche for community and economic development. Assembly Bill No. 5378 on the program states that a cultural arts institution can "have experience in cultural and artistic enrichment". The [Redacted Entity] has developed [redacted projects]. Is the [Redacted Entity] qualified to be a lead applicant on this CAFE application?	Assembly Bill No 5378 has not been enacted at the time of this response. Therefore, the current statute and rules remain in effect. Non-profit and governmental applicants must have a <u>primary</u> mission and specific policy goal of cultural, arts and cultural education, or artistic enrichment of the people of New Jersey, to be eligible for the program.
2	<p>We have already begun construction on our facility but we had a shortfall in fundraising due to COVID and a substantial increase in our initial estimated cost of construction. Therefore, we have determined that we are eligible for the CAFE program under the policy amendment approved by the NJEDA Board in May.</p> <p>A) With this in mind, some of the questions on the application are not applicable to our project. Should we place N/A on those questions?</p> <p>B) Additionally, we do not see a place within the application requesting documentation on our initial estimate (in 2019) and our final cost estimate when construction recently began. Do we need to add this documentation and where should we include it in the application?</p> <p>C) Finally, given that the basis for our eligibility is delineated in the policy amendment, is our award request limited to the increase in the cost of construction (per square feet) multiplied by the size of the building currently being constructed, or are there additional costs that could be added to the size of the potential award?</p>	<p>A. It is unclear to which questions you are referring that you indicate are not applicable to your project. To the extent that the question is not applicable to your project, you may enter "N/A".</p> <p>B. Applicants who answer "yes" to the question "Has construction commenced at the site of the cultural arts project?" and answer "no" to the question "Was construction ordered by a building code or other official with jurisdiction over the site or the cultural arts project to correct a health, safety, or other hazard?", will then be asked "Was the construction activity conducted, sponsored, and/or awarded by entity that is in any way related to the applicant or affiliate?". If the applicant answers "yes", to this question, they will be asked a series of questions regarding the prior construction, including a prompt to upload "evidence of a detailed and credible construction budget at the time construction activity commenced at the project site." Upload evidence of the initial budget at this prompt. Upload documentation of the current project budget at the prompt "Please provide any supporting documentation that will help NJEDA staff validate the project cost assumptions including detailed project budgets, invoices for soft costs previously</p>

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		<p>incurred, cost estimates provided by prospective general contractors, and any other available 3rd party cost estimates.”</p> <p>C. The award size for projects which are considered under the prior construction policy in the May 15, 2025 Board memo is limited to the demonstrated unexpected increases in construction costs due to factors that the applicant could not reasonably have anticipated. The award will be further sized by deducting certain sources raised to date and expected to be raised within 12 months of Board approval.</p>
3	The project cost includes acquiring buildings with some limited grounds (driveway, typical buffer around a building). However, project costs cannot include the acquisition of land. The purchase price, of course, includes both the building and the land it's sitting on. Does the land value beneath those buildings need to be somehow separated out and excluded?	Yes. If the applicant is including building acquisition as a project cost, the required appraisal by a NJ licensed third party Appraiser must also show the value of the building(s) separate from the value of the land.
4	On screen 17, should an award from NJEDA HPRP (state historic tax credits) entered in drop-down as "other NJEDA funding" or "other tax credits"? Thank you.	Please include this in “other NJEDA funding” since this is an NJEDA program.
5	Since awards have not been announced yet for Round 1, can an applicant apply for the same project in Round 2? If so, is there the possibility that funding can be awarded for the same project in both rounds?	An applicant may apply in both Round 1 and Round 2, however they would not receive two awards. If the Round 1 application is rejected, declined, or withdrawn, EDA would review the other application. Application fees are non-refundable.
6	I'm reaching out to you today to confirm eligibility for the NJEDA's Cultural Arts Facilities Expansion Program – CAFÉ. The application guidance states that to be eligible for this program, the applicant must be a cultural arts institution that will own or lease space in the cultural arts facility and operate the facility. The guidance also states “Cultural arts institution or “applicant” means an entity which has the primary mission and specific goal of cultural, arts and cultural	The statutory requirement regarding an applicant's primary mission has NOT been updated for Round 2 CAFE. The CAFE program is open to municipalities, however the current statute and the program rules require that if the applicant is a governmental entity (or not-for-profit), that applicant must have a “primary mission” and specific policy goal of cultural, arts and cultural education, or artistic enrichment of the people of this State.

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	education, or artistic enrichment of the people of this State. Last round, it was clarified that due to this statutory requirement, municipalities could not qualify for the program because their missions are broader and encompass more than just arts and culture. Even if a municipality includes arts and culture in its mission, it could not demonstrate that this is its primary focus. Please confirm if this is still the requirement for this funding round, or if this has been updated?	
7	We read that the project economics spreadsheet was to be updated to reflect instructions regarding the appraisal requirement in light of long-term leases -- Q2 says: "Update 6/6/25: For projects that will be leased by the applicant, rather than owned, the project economics instruction (ADD LINK) has been updated." It looks like the new form is missing? Thanks.	The link has now been added to that question which is <a href="#">CAFE-Project-Economic-Instructions.pdf</a>
8	<p>Hello</p> <p>The school district is considering partnering with a local theatre group on an application, but I am unsure of the financial benefits to the school district. Are all of the funds in the form of tax credits? If so, I do not think the credits would be of value to the school district even though we are a governmental agency.</p> <p>Any insight you can provide will be appreciated.</p> <p>Thank you</p>	Yes, all awards are in the form of a State tax credit. The tax credit may be transferred (sold) once in increments as low as \$25,000 and for not less than 85 percent of the tax credit amount.
9	Construction costs are escalating due to tariffs and other factors. Would an applicant be able to submit a revised cost estimate reflecting increased project costs if such an escalation is discovered after submission of the application but prior to the point where program staff would make recommendations on project tax credit amounts to the NJEDA Board?	An applicant cannot resubmit a revised cost estimate once the application has been submitted. An applicant may withdraw and reapply if applications are being accepted. Please note the program application process allows for an applicant's cost estimate for eligible project costs to include a cost contingency. All cost estimates submitted, including the proposed contingency, will be reviewed, and validated by the NJEDA as part of the cost

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		reasonableness review process. When the capital project is completed, eligible project cost includes only actual construction cost and excludes any remaining unspent contingency, and the eligible project cost used to calculate the amount of the tax credit to be issued shall not exceed the amount approved by the NJEDA Board.