CDFA Brownfields Redevelopment Financing Webinar Series: Financing Post Disaster Recovery

THE BROADCAST WILL BEGIN AT 2:00PM (EDT)

- Submit your questions in advance using the GoToWebinar control panel
- View previous webcast recordings online at www.cdfa.net

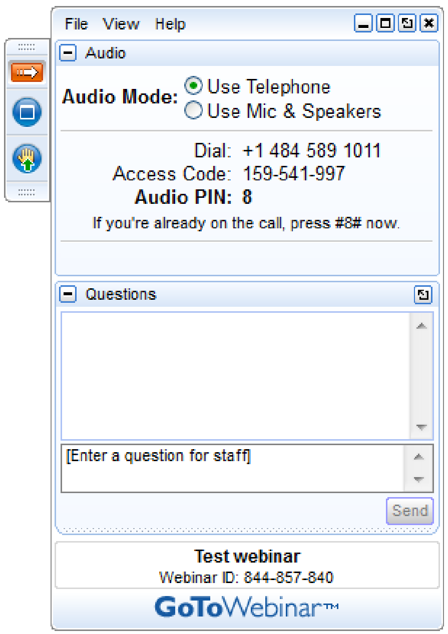
Welcome & Overview

Emily Moser, Program Manager

Council of Development Finance Agencies

Columbus, OH

Welcome & Overview



Using your telephone will give you better audio quality.

Submit your questions to the panelists here.

Join the Conversation

Technical Questions?
Contact Katherine at CDFA: 614-705-1308

Panelists

James Snyder
Partner, Ice Miller LLP

Paul Ceppi
Program Manager of Community Development,
New Jersey Economic Development Authority

Bruce Ciallella
Managing Director of HUD Programs,
New Jersey Economic Development Authority

CDFA connects the public and private development finance sectors.

CDFA's 5 Focus Areas:

- *Education*
- *Advocacy*
- *Research*
- *Resources*
- *Networking*

CDFA Training Institute

Training Courses:

- Fundamentals of Economic Development Finance Course
- Bond Finance (Intro and Advanced)
- Tax Increment Financing (Intro and Advanced)
- Intro Tax Credit Finance Course
- Intro Revolving Loan Fund Course
- Intro Energy Finance Course
- Intro Public-Private Partnership (P3) Finance Course
- Intro EB-5 Finance Course
- Intro Food Systems Finance Course
- Seed & Venture Capital Course
- Intro Brownfield Finance Course

CDFA Online Resource Database

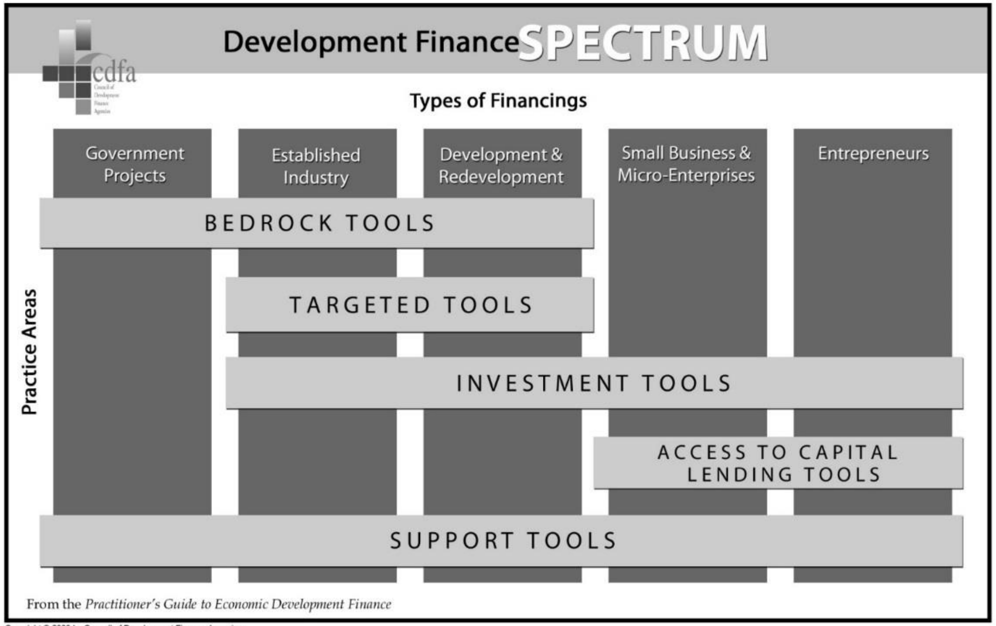
The CDFA Online Resource Database (ORD) is the nation's only electronic resource collection dedicated exclusively to development finance.

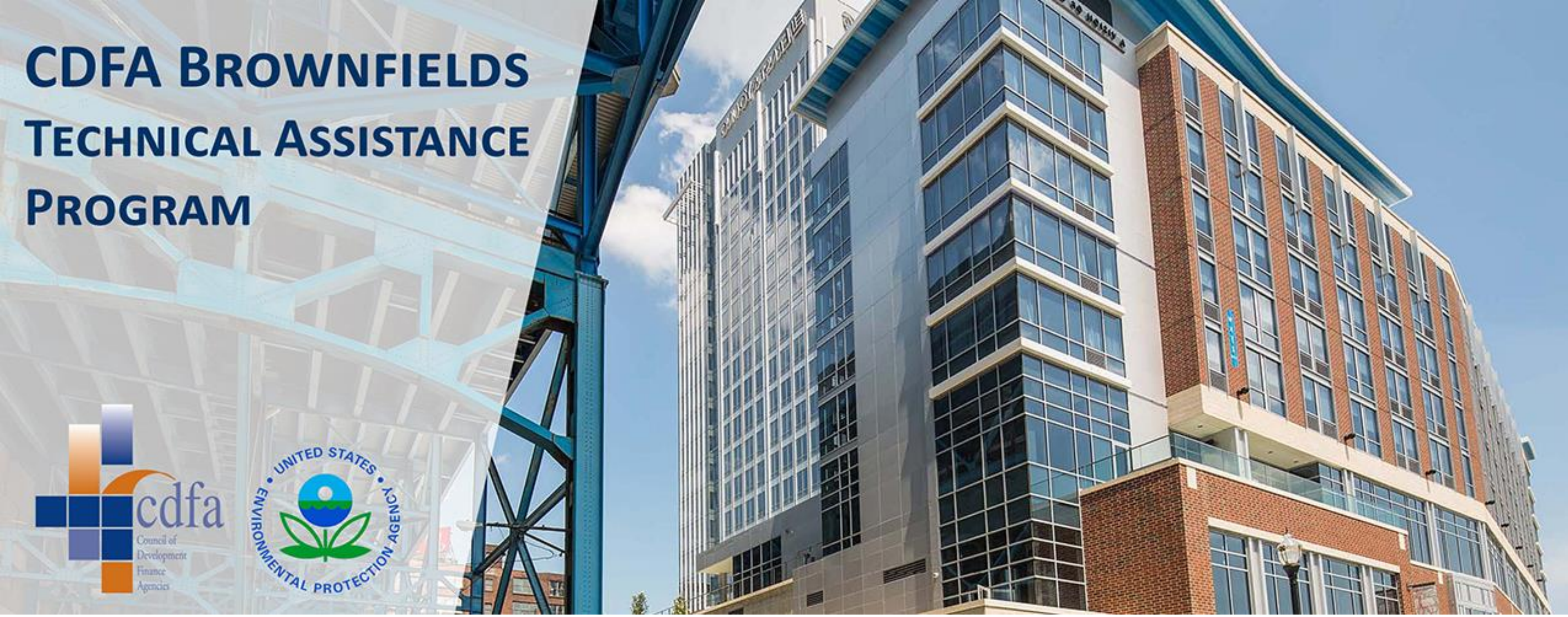
- CDFA Online Resource Database – 5,000 categorized resources
- Federal Financing Clearinghouse – 150+ federal program overviews
- Resource Centers – Bond, TIF, RLF
- Development Finance Review Weekly – newsletter to 20K+ subscribers
- 5 Targeted Newsletters – Tax Increment Finance Update, Bond Finance Update, Clean Energy + Bond Finance Initiative, Legislative Front Update, State Small Business Credit Initiative Update
- Targeted State Financing Roundtable Newsletters
- Daily Headlines

CDFA Toolbox Approach

- *Bedrock Tools: Bonds*
- *Targeted Tools: TIF and SAD*
- *Tax Credits/Investment Tools*
- *Lending/Access to Capital*
- *Support Tools: Federal Grants, Tax Abatements*

CDFA Toolbox Approach





CDFA Brownfields Technical Assistance Program

Online Resources:

- Monthly Brownfields Financing Update
- Brownfields Financing Toolkit
- Online Resource Database

Technical Assistance:

- Brownfields Project Marketplace
- Project Response Team Visits

CDFA BROWN FIELD FINANCING WEBINAR: FINANCING POST DISASTER RECOVERY JUNE 4, 2015

LEVERAGING A CRISIS: The Use Of Municipal Bonds and Other Tools to Finance Infrastructure and Encourage Economic Development after a Disaster

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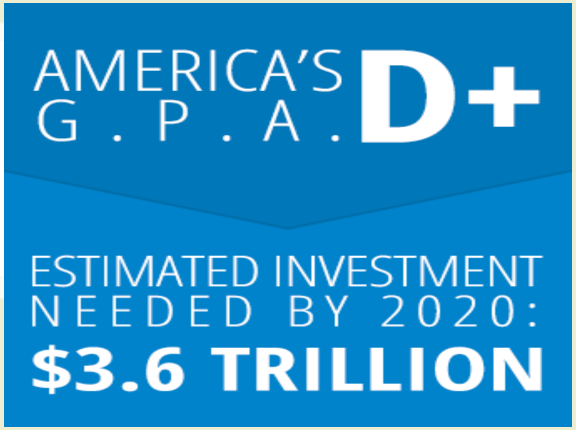
LEVERAGING A CRISIS: The Use Of Municipal Bonds and Other Tools to Finance Infrastructure and Encourage Economic Development after a Disaster



A. INFRASTRUCTURE IS AMERICA'S BACKBONE

Every family, community and every business needs infrastructure to thrive. Infrastructure encompasses: your local drinking water supply to the navigable rivers; the subway car you take to work to the rail lines spanning the State; and the street in front of your home to the interstate highway system.

In 2013, the American Society of Civil Engineers report card gives the United States a G.P.A. of **D+**, reflecting delayed maintenance and underinvestment across most categories.

It is clear that the United States has a significant backlog of overdue maintenance across our infrastructure network, a pressing need to build modern and resilient systems, and an immense opportunity to create reliable, long-term funding sources to avoid wiping out these recent gains.

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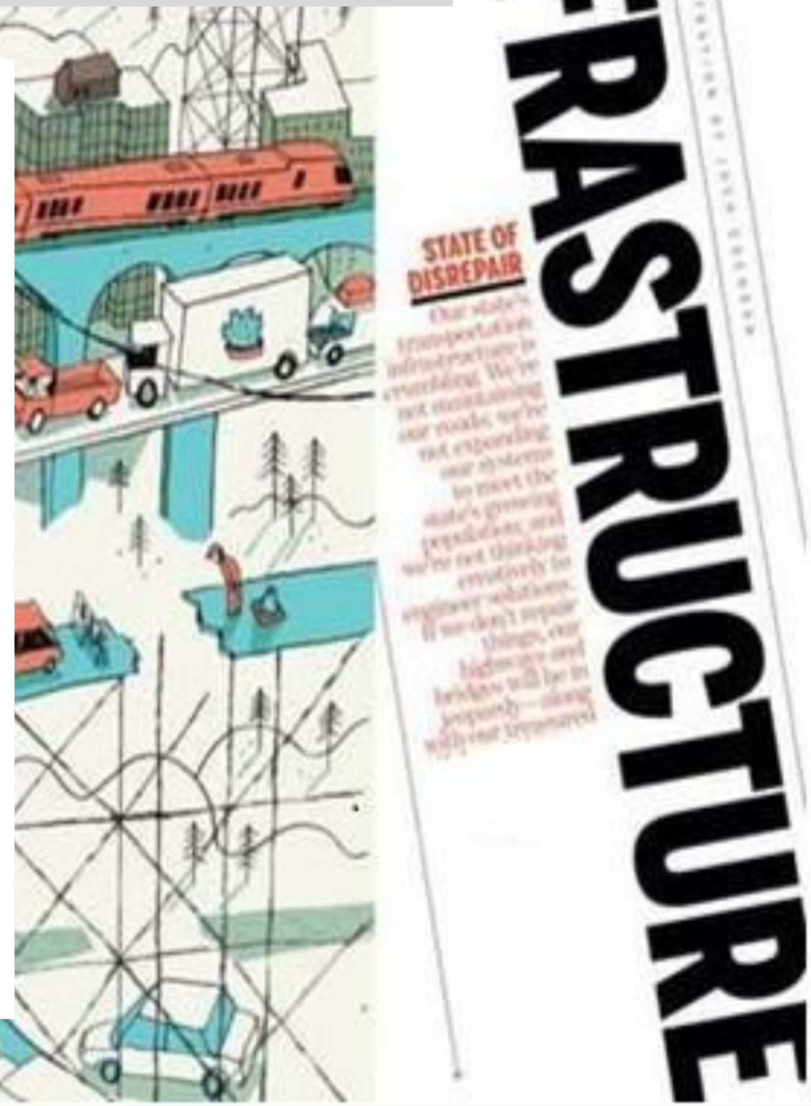
Vulnerability of infrastructure to climate related damage

Infrastructure is vulnerable during extreme weather conditions and, given its importance to response and recovery efforts improving its resiliency is vital.

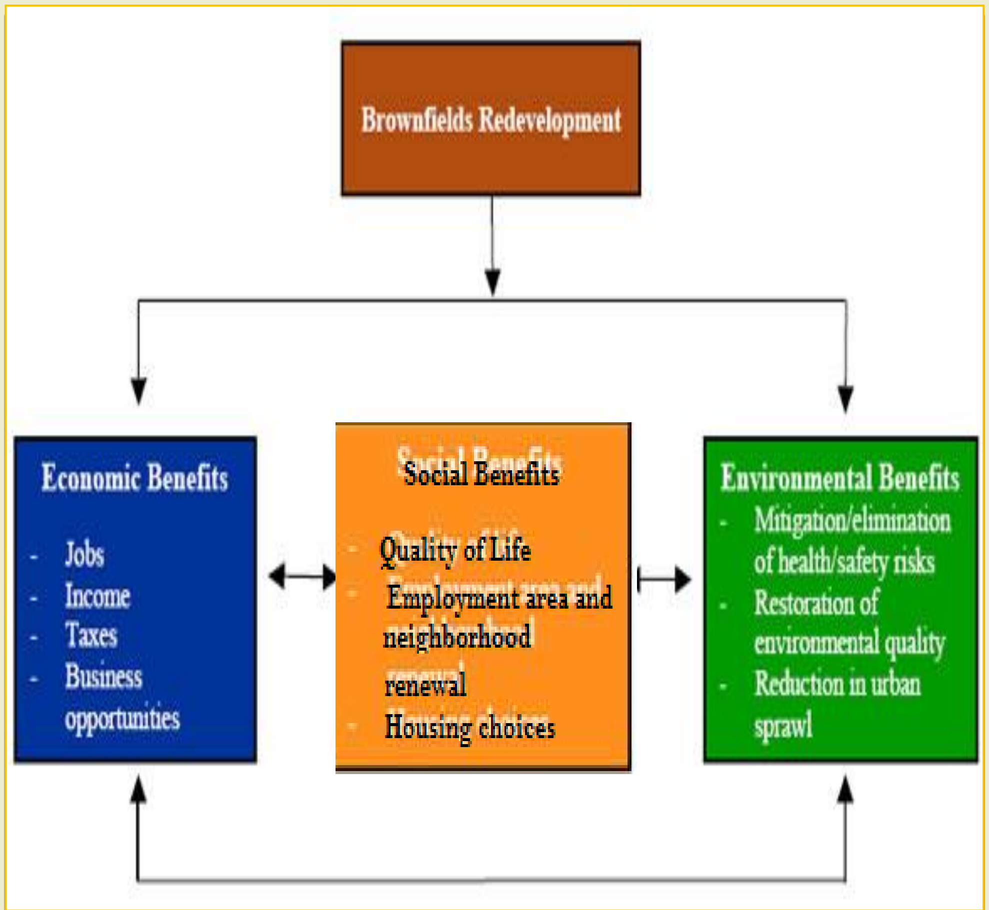
Storm surges, sea level rise, and other climate-related conditions pose particular risk to major components of the city's core systems – transportation (airports, subways, highways, bridges), commerce (shipping ports and terminals, construction), utilities (electricity, water, telecommunications), and services (hospitals, food supply, schools) – particularly those that are situated in coastal and low-lying areas.

Improved infrastructure resiliency could result in timely response and restoration of critical services as well as decreased loss of life and property, lower ecosystems impacts, and shorter overall recovery periods.



LEVERAGING A CRISIS: The Use Of Municipal Bonds and Other Tools to Finance Infrastructure and Encourage Economic Development after a Disaster

B. WHAT EXISTING VITAL TOOLS CAN BE UTILIZED TO LEVERAGE BROWN FIELDS REDEVELOPMENT AFTER A DISASTER TO FILL GAPS?



1. Bonds:

- Local Government Bonds, which are issued by a governmental issuer to finance a project, but the issuer agrees to use other tax revenues to repay the Bonds.
  - General Obligation
    - Cities typically issue GO bonds for acquiring land, preparing sites, and making infrastructure improvements- key elements in a brownfield redevelopment strategy
  - Special Assessments
  - Alternate Revenue Bonds (Double-Barreled Bonds)
  - Other Revenue Bonds
- TIF Revenue Bonds, which are issued by a governmental issuer to finance a project and use the future incremental tax increment from that project to repay the TIF Bonds.
- Private Activity Bonds, which may be paid by and finance facilities used by nongovernmental users.

2. Types of Other Tools

- Tax Increment Finance
- New Markets Tax Credit
- Other Tax Credits
- EPA/brownfield grants
  - Site assessment, cleanup, RLF capitalization, Area-Wide Planning grants
- HUD/Community Development Bock Grants (CDBG)
  - Economic/community development, planning, support services, housing grants
  - Section 108 CDBG-backed guaranteed loans
- EDA/economic development, infrastructure
- Public works/economic adjustment/planning grants
- DOT/transportation
  - Grants for system enhancement, construction, improvement, rehabilitation, preservation
- TIGER grants
- USDA/rural development
  - Business/industry loans/guarantees, community facility grants, business development planning and capital seeding
- SBA
  - Section 7(a) loan guarantees
  - SBA Section 504/CDC debentures
- DOE
  - Energy efficiency loan guarantees
- Army Corps of Engineers
- Other Incentives

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C. TAX INCREMENT FINANCING

- Uses the expected growth in property or sales taxes generated by a real estate development/improvement to finance related costs- most common local financing tool supporting brownfield cleanup
- Special authority from state to local government/development organizations, to allocate specific tax revenues toward development, redevelopment, or renovation of the targeted area
- Typically used to stimulate improvements in distressed or undeveloped areas, where development would not otherwise occur
- Depending on statute of state – can be used for a wide range of development activities with often greater flexibility for use with brownfields.
- Typically land acquisition, planning, environmental remediation, demolition and clearance, landscaping, etc.

D. SPECIAL SERVICE AREAS OR TAXING DISTRICTS

- Cities can use a "special service area" designation to raise MONEY for activities, facilities, or bond servicing needed by the target area.
- Property owners agree to the special levy or fee, based on its use in their area to finance maintenance or improvements.
- Property owners may "self-impose" fee as part of agreement.

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E. LOCALLY CAPITALIZED REVOLVING LOAN FUNDS (RLFs)

- A number of communities are establishing their own RLFs targeted to redevelopment and brownfield-related projects; similar to state or federal RLFs
- They use a wide variety of sources for capitalization – general revenue appropriations, bank contributions, philanthropic donations, fees or fines, repayments from CDGB projects, etc.
- Important to have properly structured RLF with goals, rules and regulations

F. PROPERTY TRANSFERS

- Brown field site is transferred to new owners or user for a nominal fee, typically $1, in exchange for an agreement to clean up and reuse the property

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G. Examples of Incentives to facilitate Brownfield Financing

- Pennsylvania’s brownfield TIF guarantees
- Michigan’s Brownfield Redevelopment Authorities
- “Bonus refund” pegged to job creation – Florida
- Tax incentives for affordable housing – Florida
- Remediation tax credits – Illinois and Colorado
- Sales tax rebates to offset cleanup costs – New Jersey
- Tax incentive “menu” – Missouri
- Deferral of increased property taxes – Texas
- Remediation tax credits – Illinois
- Cancellation of back taxes – Wisconsin
- Advantageous tax treatment of brownfield property improvements - North Carolina

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- Low interest cleanup loans – Wisconsin
- Remediation grants – Minnesota
- State revolving loan or redevelopment funds – Connecticut
- Petroleum-specific cleanup grants – Indiana
- State site assessment grants – Delaware
- Dedicated GO bond proceeds – Ohio, Michigan
- Targeting state clean water RLF to brownfield site cleanup – Maine, New Mexico, Ohio

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H. PUBLIC PRIVATE PARTNERSHIPS

- Public-private partnership (PPPs or Ps) are another popular financing instrument that governments use to build finance and operate infrastructure. A long-term relationship between the public entity and a private company/operator with risk and financing shared in the creation and management of a project. Attractive to financially challenged municipalities due to disaster or otherwise as an alternative to debt and tax mechanisms, although the p3's pose legal, operational, and financial risks.

I. NEW MARKETS TAX CREDIT OVERVIEW

- Federal Program designed to encourage economic and social growth in low income areas.
- Used to create Equity in Projects; Investors receive federal tax credits over 7 years for investing in qualifying projects.
- Qualifying projects include manufacturing and commercial projects to bring new jobs to the low income community as well as essential services like health clinics, day care, elderly care and education.
- The tax credits provide 18-20% of the project cost as "equity" and reduces the cost of financing by 30%.
- Project must create economic development or provide essential services to a community with 80% or less of State/Metro median ("LIC"). Many projects in brownfields will qualify.

NEW MARKET TAX CREDITS OVERVIEW

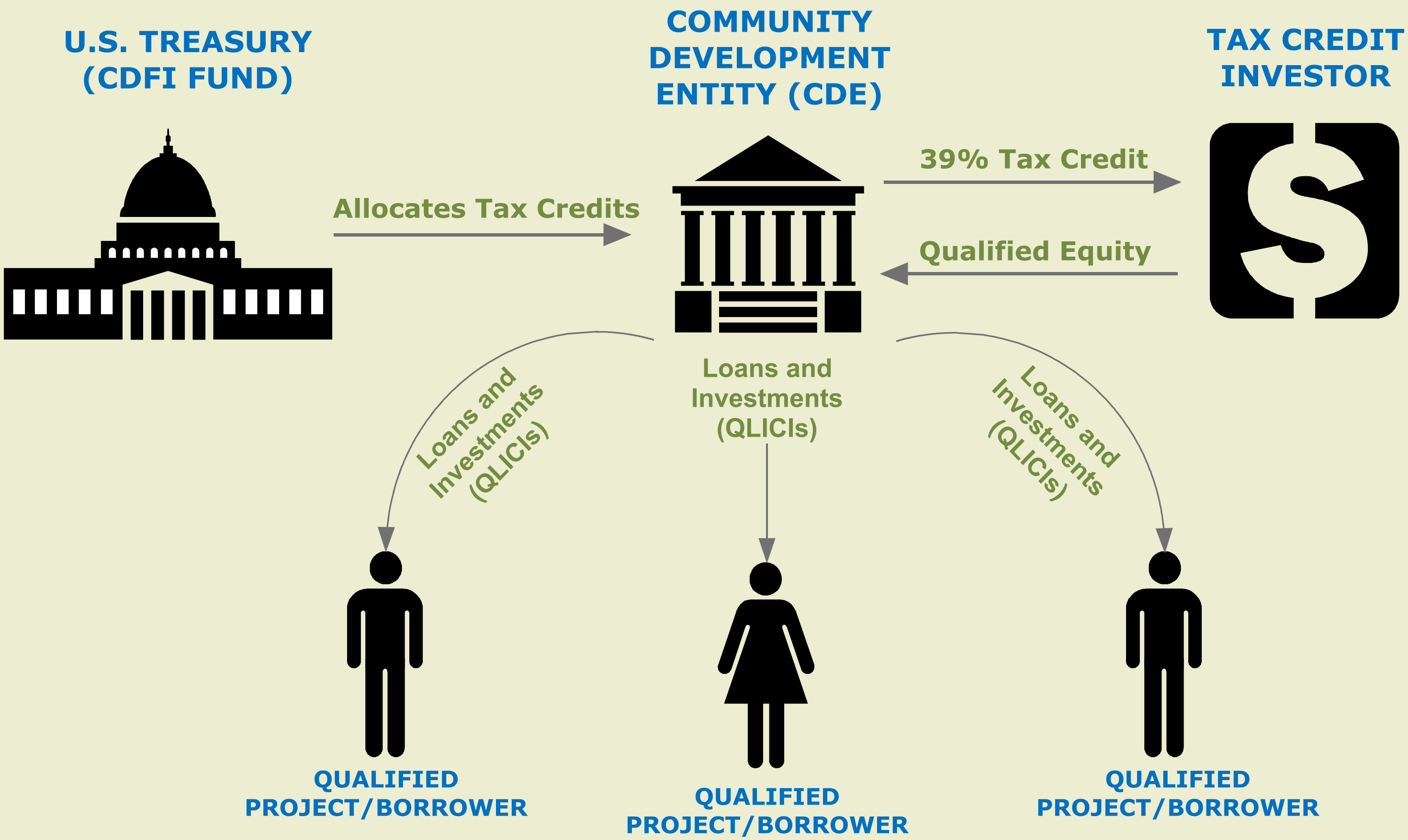

Diagram Courtesy of The Economic Development Group, Ltd., Bloomington, Illinois

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J. TAX-EXEMPT FINANCING FOR CERTAIN DISTRESSED AREAS- EXPIRED

- Previous law provided special rules for private activity bonds issued within certain geographic areas to provide incentives for businesses to locate and rebuild in those areas hit with natural disasters.
- New York Liberty Zone, the Gulf Opportunity Zone, Midwest Disaster Bonds, and empowerment zones are examples.
- New York Liberty Zone Bonds permitted $8 billion in exempt facility bonds for the purpose of financing the construction and rehabilitation of nonresidential real property and residential rental real property in a designated "Liberty Zone" of New York City ("Liberty Zone bonds"). The Zone consisted of all business addresses located on or very near site of World Trade Center destroyed on September 11, 2001 in the Borough of Manhattan.

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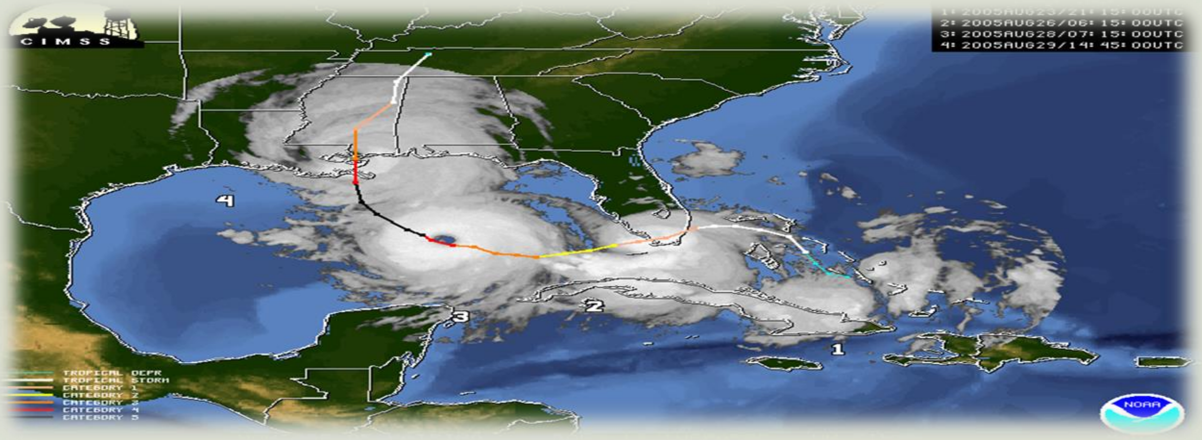
- Gulf Opportunity Zone Bonds
- Created after Katrina and Ike Hurricanes

Permitted qualified private activity bonds finance the construction and rehabilitation of residential and nonresidential property located in the Gulf Opportunity Zone. (Texas, Alabama, Mississippi and Louisiana.

MIDWEST DISASTER BONDS

Special Provision for Tax-Exempt Bonds in certain Counties in Midwest affected by 2008 Floods:

- Most Projects Located in a MDAB Eligible County Qualify.
- Other Benefits Upon President Declaration of Disaster Area



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K. CASE STUDY – KONE CENTER, MOLINE, ILLINOIS

- $40 Million Kone Center – Eight-story mixed use office building.
- Kone Corp., a Finland based Company that makes elevators and escalators will consolidate its current Moline, Illinois administrative and call center operations. Kone is anchor tenant, occupying second to sixth floors.
- Key component of continued successful revitalization of Moline Mississippi riverfront.
- Project will retain 375 Kone jobs, add estimated 53 construction jobs and create 50 new permanent positions.

Vital Tools Utilized:

- A 20.2 Million Illinois Finance Authority Midwestern Disaster Area Bonds. First Midwestern Disaster Area Bonds issued in Illinois.
- City of Moline borrows $7.5 Million and re-loans to Developer to purchase property at favorable interest rates.
- $7 Million Illinois – EDGE) Economic Development for a Growing Economy) program. Kone had to meet one of five criteria related to the creation of retention of jobs in Illinois – for example, that it had "multi-state location options and could reasonable and efficiently locate outside of the state."

LEVERAGING A CRISIS: The Use Of Municipal Bonds and Other Tools to Finance Infrastructure and Encourage Economic Development after a Disaster

Case Study – Kone Center, Moline, Illinois (cont'd)

- Vital Tools Utilized (cont'd)
  - The City agreed to create a new 23 year Tax Increment Financing (TIF) district (to replace a portion of an existing district) that will use up to $10.1 million of increased property-tax revenue to cover project costs outside of construction, including land acquisition, interest, and architectural and engineering work. Through the TIF, Developer will get back substantial portion of the property taxes Developer pays from the new development.
  - $8 Million New Market Tax Credits.
  - $471,000 grant from Illinois Department of Commerce and Economic Opportunity for installation of 316 kilo watt solar photo voltaic system to help earn Leed Certification.
  - State of Illinois New Market Tax.

L. PRESIDENT'S DECLARATION OF MAJOR DISASTER

Upon issuance of the President's declaration of a Major Disaster, the Federal Emergency Management Agency (FEMA) may designate particular cities, counties, or other local jurisdictions covered by the declaration as eligible for Individual Assistance, Public Assistance, or both. With respect to some previous Presidential declarations of Major Disasters, the Internal Revenue Service (Service) issued notices providing relief from certain requirements under the low income housing rules to facilitate emergency housing relief for Displaced Individuals without regard to the income of those Displaced Individuals.

M. QUALIFIED DISASTER BONDS – NEED LEGISLATION

The Heartland Disaster Act of 2008 proposed to create a new category of tax-exempt private activity bonds, a "qualified disaster bond". A qualified disaster bond would be any bond issued as part of an issue if (1) 95 percent or more of the net proceeds of the issue are to be used for the replacement, repair, reconstruction or renovation of depreciable property that was damaged or destroyed as a result of a Federally declared disaster, and (2) such bond is designated by a State as a qualified disaster bond for purposes of the provision. In order to designate a bond as a qualified disaster bond, the State that includes the qualified disaster bonds are not subject to the State volume caps. Instead, there was to be national bond limitation of $1.3 billion, to be allocated with respect to disasters occurring during the period January 1, 2008 through December 31, 2011. Legislation did not pass.

Thank you.

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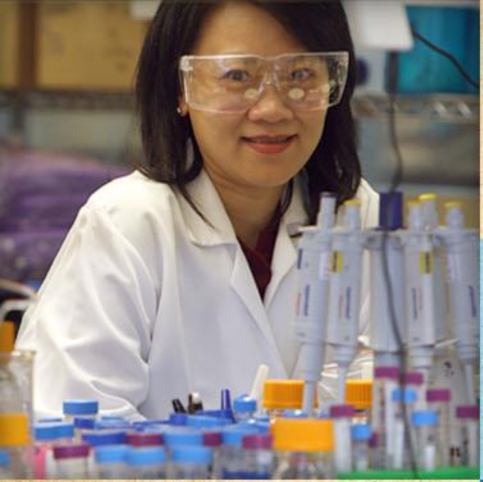


JUNE 4, 2015

Post Disaster Funding The Road to Recovery

Bruce Ciallella
Managing Director
Office of HUD Programs

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

new jersey

Highly educated, perfectly located.

After a Disaster is Presidentially Declared

1. Congress Approves an Appropriation to the U.S. Department of Housing and Urban Development (HUD) through HUD's Community Development Block Grant – Disaster Recovery (CDBG-DR) Program.

2. HUD calculates and announces allocations to impacted areas, publishes a Notice in the Federal Register and Awards Funds to State/Local Government

3. State/Local Government appoints a State/Local Government Agency to become the Grantee

4. The Grantee then works with other State Agency/Authorities who become Sub-Recipients

Creation of Recovery Programs

- Grantee in concert with their Sub-Recipients publish an Action Plan identifying the different programs and the eligibility criteria
- CDBG-DR funds must be used for "[n]ecessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization . . ."
- In the context of disaster recovery, this means that each activity must:
  - Address a disaster-related impact in a Presidentially-declared county for the covered disaster;
  - Be a CDBG eligible activity (according to regulations and waivers);
  - Meet a National Objective

Qualifying a Project

- Tie to the Storm
  - Was there a direct impact physical impact from the storm?
  - Are there significant community revitalization impacts?
  - Will the project alleviate significant environmental, health, safety, or welfare concerns?
- Duplication of Benefits
  - CDBG-DR is the "funding of last resort"
  - All insurance proceeds, FEMA, SBA guaranteed disaster loans, and other disaster grants must be deducted from the overall project costs to determine if there is a gap that needs to be filled.
  - If additional proceeds are received all applicants must sign a Subrogation Agreement, which maybe paid back the NJEDA.
- Environmental Concerns
  - All projects must go through an environmental review
  - Cannot be located in a Coastal Barrier Resource System (CBRS) zone.

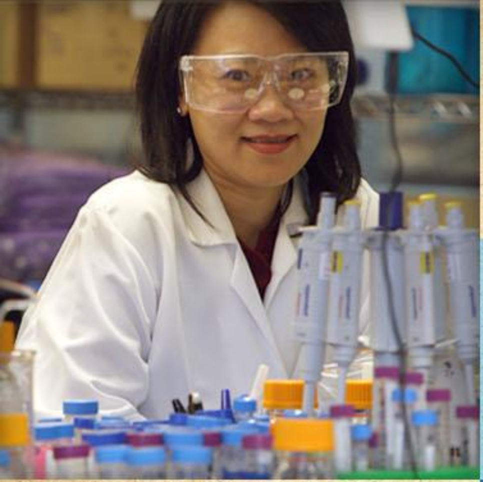
Case Study – Berry Lane Park - Jersey City

- Project consists of one of the most ambitious open space projects to be undertaken in Jersey City's history. Berry Lane Park will transform approximately 17.25 acres of Brownsfields into a recreational centerpiece for the surrounding community.

- As a result of Superstorm Sandy the site was flooded with fences and debris scattered throughout.

- The park design incorporates resiliency features whenever possible - rain gardens, over 600 new trees, a green roof on the concession building, permeable pavers, and a storm water retention

- Total Project Costs exceed $34 million, with the NJEDA providing approximate $5 million worth of CDBG-DR assistance.








Additional Resources

Paul Ceppi
Program Manager
Community Development

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

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Summary

- The New Jersey Economic Opportunity Act merged the State's economic development incentive programs with the goal of enhancing business attraction, retention and job creation efforts and strengthening New Jersey's competitive edge in the global economy.
- The Grow New Jersey Assistance Program (Grow NJ) is now the main job creation incentive program and the Economic Redevelopment and Growth Program (ERG) is the State's key developer incentive program. Both programs have been expanded and will sunset July 1, 2019.

Grow NJ

- Base tax credits ranging from $500 to $5,000 per job, per year; bonus credits ranging from $250 to $3,000 per job, per year
- Expanded geographic boundaries
- Reduced capital investment and employment eligibility

ERG

- Increased State and local incentive grants - bonus awards to incentivize targeted development goals
- Expanded geographic boundaries
- Tax credits allocated for residential projects

- As performance-based programs, approved projects must first generate new tax revenue, complete capital investments, and/or hire or retain employees to receive the approved benefits.

Key Provisions

Grow NJ

Eligibility includes:

- A location in a qualified incentive area;
- Meeting or exceeding the employment and capital investment requirements;
- Demonstrating that the award of the tax credit is a "material factor" in the company's decision;
- Demonstrating that the capital investment and the resultant creation of eligible positions will yield a net positive benefit of at least 110% of the requested tax credit amount *(100% in Camden)*; supported by CEO certification that existing full-time jobs are at risk of leaving the State or being eliminated, and that the job creation or retention would not occur but for the Grow NJ award.

Performance-Based Requirements include:

- Maintaining the project employment for 1.5 times the period in which the business receives the tax credit;
- Maintaining a minimum of 80% of the full-time workforce from the last tax period prior to the grant approval *(as evidenced through annual reporting requirements)*;
- Submitting independent CPA certification of actual capital investment and job creation or retention at project completion.

Grow NJ

Capital Investment & Employment Requirements

Minimum Capital Investment Requirements	$/Square Foot
Industrial, Warehousing, Logistics, R&D – Rehabilitation Projects	$20
Industrial, Warehousing, Logistics, R&D – New Construction Projects	$60
Office – Rehabilitation Projects	$40
Office – New Construction	$120
Minimum capital investment amounts are 1/3 lower in Passaic, Paterson, Trenton, Camden, Atlantic City (GSGZ cities), and in 8 South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	

Minimum FT Employment Requirements	New/Retained FT Jobs
Tech Start Ups and Manufacturing Businesses	10/25
Other Targeted Industries	25/35
All Other Businesses/Industries	35/50
Minimum employment numbers are 1/4 lower in Passaic, Paterson, Trenton, Camden, Atlantic City (GSGZ cities), Atlantic City and in 8 South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	

Grow NJ

Bonus – Type & Amount

Bonus Type*		Bonus Amount
Deep poverty pocket or Choice Neighborhood Transportation Plan area		$1,500
Qualified business facility that includes a vacant commercial building having over one million sq. ft. of office or laboratory space available for occupancy for a period of over one year.		$1,000
Qualified incubator facility		$500
Mixed-use development - mod. income housing for min. of 20% of full-time employees		$500
Transit oriented development		$2,000
Excess capital investment in industrial site for industrial use - *Excludes mega projects*		$3,000 maximum
Excess capital investment in industrial site for industrial use - *Mega projects or GSGZ projects*		$5,000 maximum
Average salary in excess of county's existing average or in excess of average for GSGZ		$1,500 maximum
Large number of new and retained full-time jobs		
	251 to 400	$500
	401 to 600	$750
	601 to 800	$1,000
	801 to 1,000	$1,250
	1,001+	$1,500
Business in a targeted industry		$500
Exceeds LEED "Silver" or completes substantial environmental remediation		$250
Located in a municipality in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties with MRI Index greater than 465		$1,000
Located within a half-mile of any new light rail station		$1,000
Projects generating solar energy for onsite use		$250

**Summarizes bonus types most widely applicable*

Grow NJ

Tax Credit Amounts: Base + Bonus = Maximum

Project Type	**Base Amount** *Per New or Retained FT Job, Per Year*	**Maximum Amount** *Per New or Retained FT Job, Per Year*	**Annual Amount** *To Be Applied By The Business Annually*
Mega Project	$5,000	$15,000	$30 million
GSGZ	$5,000	$15,000	$30 million *$35 million-Facility in certain GSGZ municipalities (Camden/Atlantic City)*
Urban Transit Hub Municipality*	$5,000	$12,000	$10 million
Distressed Municipality	$4,000	$11,000	$8 million
Priority Area	$3,000	$10,500	$4 million *but not more than 90% of withholdings*
Other Eligible Area	$500	$6,000	$2.5 million *but not more than 90% of withholdings*
Disaster Recovery Project	$2,000	$2,000	

**Urban Transit Hub Municipalities include Bridgeton, Mount Holly, Salem, and West New York, in addition to the nine municipalities eligible under the UTHTC Act: Camden, East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson, and Trenton.*

Grow NJ

Final Total Tax Credit Amount

Each new full-time job = 100% tax credit

Each retained full-time job = the lesser of 50% tax credit or per job capital investment*

- *For projects approved for $40 million or more over the term ($4 million annually),except for projects in Camden and Atlantic City, the EDA will award only funds necessary to complete a project or the amount permitted under the statute, whichever is less.*

**Tax credits for retained jobs increases to 100% in certain cases*

Key Provisions

ERG

Eligibility includes:

- A qualified residential or commercial project with a location in a qualified incentive area;
- Demonstrating a project financing gap *(as determined through a rigorous analysis of the sources and uses of funds, construction costs and projected revenues)*;
- Commercial projects are subject to a comprehensive net benefit analysis to verify that the revenues the State receives will be greater than the incentive being provided *(net benefit of at least 110%)*.

Performance-Based Requirements include:

- Submitting satisfactory evidence of actual project costs *(as certified by a CPA)*, and project completion, prior to the disbursement of any funds.
- For grants greater than $50 million, EDA may require negotiated repayment from profits, potentially including cash, equity and warrants.

ERG

Incentive Amounts

- Base award of up to 20% of eligible project costs (30% in a GSGZ), funded by 75% of eligible incremental state taxes generated at the project site. (85% for projects in a GSGZ)

- The Act authorizes a bonus of 10% in certain cases, up to a maximum of 30% of total project costs; 40% for projects in a GSGZ (Camden, Trenton, Paterson Passaic and Atlantic City).

ERG
Bonus Awards

Bonus of up to ***10%*** *if project is:*

- Located in a distressed municipality:
  - lacking access to nutritious food, and will include a supermarket or grocery store (min. of 15,000 sq ft of space) selling fresh products or a prepared food establishment selling nutritious, ready to serve meals; or,
  - lacking access to health care and health services, and will include a health center (min. of 10,000 sq ft of space) devoted to providing these services
- Transit project
- Qualified residential project with at least 10% of units constructed as and reserved for moderate income housing
- Located in a highlands development credit receiving area or redevelopment area
- Located in a GSGZ
- Disaster recovery project
- Aviation project
- Tourism destination project
- Substantial rehabilitation or renovation of an existing structure(s)

ERG

Qualified Residential Projects

Of the **$600 million authorized** for qualified residential projects*****:

- **$250 million** for projects within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties, of which:
  - $175 million for projects in Camden and Atlantic City
  - $75 million for projects in municipalities with a 2007 MRI Index of 400 or higher
- **$250 million** for qualified residential projects located in:
  - Urban Transit Hubs that are commuter rail in nature
  - A Garden State Growth Zone
  - Disaster recovery projects
  - SDA municipalities located in Hudson County that were awarded State Aid in FY 2013 through the Transitional Aid to Localities Program
- **$75 million** for projects in distressed municipalities, deep poverty pockets, highlands development credit receiving areas or redevelopment areas.
- **$25 million** for projects located within a qualifying ERG incentive area.

******The Act does not change the existing requirement that residential projects receiving an ERG must dedicate 20% of a project to low and moderate income housing*

Grow NJ and ERG

Application Deadlines

- **Grow NJ** applications must be filed by **July 1, 2019**.
  - Businesses must submit documentation indicating it has met agreed upon capital investment and employment requirements within three years of EDA approval.
  - EDA can grant two, 6-month extensions.
- **ERG** applications must be filed by **July 1, 2019**.
  - Applications for a qualified residential project must be filed by **July 1, 2016**, and the developer must obtain a temporary certificate of occupancy for the project no later than July 28, 2018.

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Questions?

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