

Monmouth-Ocean Development Council Luncheon

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About the NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth.

The NJEDA is committed to making New Jersey a national model for **inclusive and sustainable economic development** by focusing on key strategies to help build **strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy**. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to **enhance the economic vitality and quality of life** in the State and **strengthen New Jersey's long-term economic competitiveness**.



HELPING TO BUILD A
STRONGER AND FAIRER
NEW JERSEY ECONOMY

OVERALL COVID-19 RELIEF PROGRAM STATISTICS



91,000+

Awards Approved



\$649 Million

Support Provided



COVID-19 ECONOMIC RELIEF PACKAGE



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM

77,053 applications approved for \$581.4 million in grants



SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM (Phases 1 & 2)

152 applications approved for \$10.6 million in loans



SUSTAIN AND SERVE NJ (PHASES 1 & 2)

\$34 million to support the purchase of 3.5 million meals



SMALL AND MICRO BUSINESS PPE ACCESS PROGRAM

13,062 businesses approved for more than \$11.2 million in discounts



PROGRAMS TO MOBILIZE CAPITAL TO MICRO, SMALL, & MEDIUM SIZED BUSINESSES (CDFIS)

379 applications approved for \$8.9 million in loans



ENTREPRENEUR SUPPORT PROGRAM

13 companies – 47 Investors approved for guarantees totaling \$2 million supporting investment totaling \$2.5 million



TECHNICAL ASSISTANCE – SBA, E-COMMERCE, BUSINESS CONSULTING

538 applications assisted with services totaling \$537,668

Henri/Ida Business Assistance Grant Program



What is the Henri/Ida Assistance Grant Program?

Support measure to help businesses and nonprofits impacted by the remnants of Hurricane Henri and/or Hurricane Ida



**AUGUST RENT OR
MORTGAGE REIMBURSEMENT
FROM **\$1,000 TO \$5,000****

Open to **businesses and nonprofits** that have **up to 50 full-time equivalent employees (FTEs)** and a **commercial location in New Jersey** that suffered physical damage as a result of the remnants of Hurricane Henri and/or Hurricane Ida

Currently funded with \$10,500,000. One-third of funds are reserved for entities in a census tract that was eligible to be selected as a New Jersey Opportunity Zone

The **pilot program may be expanded** if additional funds become available

Henri/Ida Assistance Grant Program



GRANT AWARDS

The Henri/Ida Business Assistance Grant Program will provide grants equal to an eligible applicant's **demonstrated unmet need** for support of **August rent or mortgage payment** up to a **cap of \$5,000**

An applicant's unmet need will be determined based on **estimated damages**, as certified by the applicant, and **revenue loss** based on shuttered business operations, also certified by the applicant

Grants received through this program can be used to pay for **August rent or mortgage only** and will be **disbursed solely as reimbursement**

Capital expenses, such as remediation or construction, **are not eligible** uses of funding

Henri/Ida Assistance Grant Program



APPLICATION PROCESS

Applications will be available online at <https://programs.njeda.com>

Applications will open at **9:00 a.m. on September 17th, 2021**

The NJEDA encourages anyone considering applying to visit <https://programs.njeda.com> **prior to September 17th** to create a new Username and Password or to verify that they remember their existing Username and Password

Applications will be accepted on a **first-come, first-served** basis, based upon the date in which the Authority receives a completed application submission

Businesses whose applications are denied will have the **right to appeal**

NJ Economic Recovery Act of 2020



New Jersey's Economic Priorities

1

Investing in people

to help all New Jersey residents find meaningful work

2

Investing in communities

to build world-class cities, towns, and infrastructure

3

Making New Jersey the State of Innovation

to create more and better jobs across the state

4

Making government work better

to improve New Jersey's competitiveness and business climate

Principles Underlying New Programs

1. Supporting **job creation**
2. Investing in **innovation**
3. Providing relief for **Main Street businesses**
4. Helping **underserved communities**
5. Implementing anti-corruption and **oversight reforms**

Reforms to Ensure Transparency and Accountability

1. Independent Office of the Inspector General
2. Chief Compliance Officer
3. Caps on all programs
4. Reforms tax credit sales and transfers
5. Enhanced data sharing with other agencies
6. CEO certification under penalty of perjury
7. Strengthened prevailing wage requirements
8. Required Community Benefit Agreements

New Programs Supporting these Strategies

1 Emerge Program

2 Aspire Program

3 Food Desert Relief Program

4 NJ Innovation Evergreen Fund

5 Main Street Recovery Finance Program

6 Brownfield Redevelopment Incentive

7 Historic Property Reinvestment Program

8 Community-Anchored Development Program

Emergence Program

- ▶ Focus on **communities with the greatest levels of distress**
- ▶ **Targets Governor's priority sectors** for economic growth
- ▶ **Focus on new jobs** with minimum job creation targets for most projects
- ▶ Business must make **minimum capital investment** in eligible area
 - Can meet requirement with **donations to a local infrastructure fund**
- ▶ **Net benefit requirement of 200% – 400% of award amount**
- ▶ **Retention only projects limited** to those retaining more than **500 jobs**
- ▶ Capped with NJ Aspire at **\$1.1B per year over 6 years**
 - \$1.1B cap covers **both programs**

Aspire Program

- ▶ **Awards equal to 60% of development costs** for residential projects with affordable housing
 - 50% or 45% of development costs for other projects
- ▶ **Up to \$60M** for projects in targeted areas
 - \$42M for other projects
- ▶ Targets **downtowns near transit**
- ▶ Supports **affordable and mixed-income housing** in job-centric areas
- ▶ Drives **market-rate housing** in distressed areas
- ▶ Includes **labor peace agreements**
- ▶ Capped with Emerge at **\$1.1B per year over 6 years**
 - \$1.1B cap covers **both programs**

Main Street Recovery Program



What is the Main Street Recovery Program?

\$100 million appropriated for several products to support New Jersey small businesses:

Products are expected to consist of:

- 1) Grants to Small Businesses** – Will support NJ small businesses (as defined by SBA) with renovations, improvements, lease payments, and purchase and/or installation of furniture, fixtures and equipment.
- 2) Loans to Micro Businesses** – Low-cost financing will support NJ micro businesses, defined as businesses with 10 or fewer full-time employees, and less than \$1.5 million in annual revenue.
- 3) Resources for Lenders** - Loans and grants to lenders that have at least 10 years of experience servicing micro businesses. These resources will help lenders support more micro businesses with loans and technical assistance. Eligible lenders will include:
 - Community Development Financial Institutions (CDFIs)
 - Minority Depository Institutions (MDIs)
 - Zone Development Corporations (in cities with a population of more than 100,000)
 - Community Development Corporations
 - Economic Development Corporations

Initial Product Offerings

The Main Street rule proposal establishes two initial product offerings:

Small Business Lease Grant



Provides grant funding to offset a portion of lease payments for businesses leasing new or additional space.

Small Business Improvement Grant



Reimburses business owners for costs associated with making interior or exterior building improvements or purchasing/installing furniture, fixtures or equipment.

Small Business Lease Grant - \$10 million



OVERVIEW

- ▶ **40% of grant funding will be set aside for businesses located in an Opportunity Zone.**
- ▶ **Provides grants to businesses to offset a portion of annual lease payments for leases with a minimum 5-year term. Leases must have been executed within 12 months of application to be eligible.**
- ▶ **Grant payments are made in two disbursements:**
 - First disbursement will be made after execution of grant agreement, for an amount equal to 20% of annual lease payment.
 - Second disbursement will be made after 12 months of lease payments have been paid by the applicant, for an amount equal to 20% of annual lease payment.
- ▶ **Applicants with multiple locations are limited to one application per location.**
- ▶ **Approval fee: \$100 - due at time of approval and prior to execution of grant agreement.**

Small Business Improvement Grant - \$15 million



PROGRAM OVERVIEW

- ▶ **40% of grant funding will be set aside for businesses located in an Opportunity Zone.**
- ▶ **Provides grants funding equal to 50 percent of project costs (max \$50,000).**
 - Grant funding can be used for:
 - Interior and exterior renovations.
 - Purchase and installation of new furniture, fixtures, and equipment (FFE).
 - Minimum project cost of \$5,000.
- ▶ **Limit of one grant per Employer Identification Number (EIN).**
- ▶ **Entities operating in multiple locations under a single EIN are limited to one application under the sole EIN, but a single application may include project costs across multiple locations.**
- ▶ **Approval fee: \$100 - due at time of approval and prior to execution of grant agreement.**

Additional Pilot Programs



NJEDA intends to develop future pilot products to be funded under the Main Street Recovery Program:

▶ Micro Business Loans

- Working capital loans of up to \$50,000 to be provided directly to micro businesses from NJEDA. Financing will be low-cost, with attractive terms and rates.

▶ Loans to Micro Business Lenders

- NJEDA will provide loans to micro business lenders, who will use that funding to increase capacity under their existing loan programs, or establish new micro business lending programs with attractive terms.
- Eligible lenders would include CDFIs, MDIs, Zone Development Corporations in cities with populations of 100,000+, CDCs, EDCs, and non-profit lenders with at least 10 years of micro business lending experience
- Lenders will also receive a portion of the funding as technical assistance grants, to provide services to better position micro businesses to qualify for these loans. Technical support services would include, but are not limited to: credit repair services, assistance with writing business plans and preparing financial statements and projections.

NJEDA Small Business Services





DIRECT LOANS

New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through the NJEDA when conventional financing is not available.

Dollar Amount

Up to

\$2 million

Eligibility

- Commit to creation or retention of one new, full-time job for every \$65,000 of NJEDA exposure within two years.

Benefits

- Flexible interest rates
- Longer terms
- Up to \$2 million for fixed assets*
- Up to \$750,000 for working capital
- Amortization up to 5 years for working capital, 10 years for equipment transactions, and 20 years for real estate transactions.



PREMIER LENDER PROGRAM

Partnering with banks to ensure that New Jersey businesses and communities have the resources necessary to expand and have a healthy climate for growth.

Dollar Amount

Up to **\$2 million** for fixed assets
Up to **\$750,000** for working capital
Line of Credit Guarantees up to
\$750,000

Eligibility

- Be in operation for at least 2 full years.
- Commit to creation or retention of one new, full-time job for every \$65,000 of NJEDA exposure within 2 years.
- 1.1X Debt Service Coverage Ratio (for businesses); 1.0X Debt Service Coverage Ratio (for not-for-profits).
- 100% loan-to-value for real estate and 90% for equipment

Benefits

- Access to low-cost financing that includes NJEDA loan participation and/or guarantees, and line of credit guarantees.
- Financing can be used for fixed assets or term working capital.
- Attractive interest rates and terms.



Premier Lender Banks



Bank of America



The Bank of Princeton
Bank Wisely.





CDFI LOAN TO LENDERS PROGRAM

NJEDA partners with Community Development Financial Institutions (CDFIs), who routinely work with micro-enterprises and small businesses not qualified for traditional bank financing. This program gives qualified CDFIs access to NJEDA participations and guarantees to support their loans to small businesses.

Dollar Amount

Up to
\$1.5 Million
per CDFI

Eligibility

- CDFIs looking to qualify for an NJEDA loan through the program must have a minimum of five years of demonstrated lending and portfolio management history.
- CDFIs can use NJEDA funding to provide term loans or lines of credit to qualified businesses. NJEDA funding cannot be used to restructure or refinance existing debt.
- Premier CDFIs cannot use Loan to Lender funding to finance requests through the Premier CDFI Program.

Benefits

- By leveraging NJEDA resources, CDFIs can provide financing to more small businesses.





SMALL BUSINESS BONDING READINESS ASSISTANCE PROGRAM

Designed to help construction business needs, providing comprehensive technical assistance, supportive services and access to capital.

In Partnership with



Classroom Training

- Finance
- Operations
- Contract law and avoiding construction fraud
- Optimizing your bond line
- Estimating and working with construction documents
- QuickBooks Training
- Consulting Services
- and more

Benefits

Capacity Building Solutions for Small, Minority, Woman, Veteran -Owned Construction Firms in the areas of

- Bonding & Insurance
- Community Outreach
- Capital Management,
- Compliance & Monitoring
- Capacity Building Programs
- Back Office Services
- Construction Management



Visit
www.njeda.com
for more information.



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