

CREATING VALUE IN URBAN NEW JERSEY

ANNUAL REPORT
FOR 2018



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2018 ANNUAL REPORT

MISSION STATEMENT

New Jersey Redevelopment Authority (NJRA) functions as a comprehensive resource center that focuses on improving the quality of life by creating value in New Jersey's urban communities.

NJRA invests financial and technical resources into redevelopment projects and plans that will create a positive impact in our eligible communities.

Our primary goal is to ensure that projects are urban-focused, neighborhood-based and investment-driven.

VISION STATEMENT

The vision of NJRA is to be the premiere catalyst for investments that sustainably grow and develop urban communities.

The New Jersey Redevelopment Authority (NJRA) is a multimillion-dollar independent financing authority created by the state of New Jersey via the New Jersey Redevelopment Act in 1996 to transform urban communities through direct investment and technical support.

GREETINGS FROM
LT. GOVERNOR SHEILA OLIVER
& PRESIDENT/CEO LESLIE A. ANDERSON

Dear Friends,

The 2018 Annual Report demonstrates the New Jersey Redevelopment Authority's (NJRA) commitment to serving as the vital link between the urban communities and stakeholders throughout the state for both financial and technical assistance.

NJRA is committed to creative community investments and partnerships which stimulate economic development, stabilize neighborhoods, facilitate job creation, and create opportunities for New Jersey's urban communities. What sets NJRA apart is that we are often the first to invest in urban redevelopment projects. By investing first, we serve as a catalyst for private investment

What makes the NJRA unique is our ability to recognize value in redevelopment projects often considered too risky by other investors. We take pride in the fact we can offer products and services that are critical for project financing. We are often the first to provide funding for creative projects in our urban centers.

The long-term benefits that come as a result of the NJRA's investments improve the quality of life and create value for people and communities throughout our state. The financing environment continues to be a challenge for projects in smaller Tier 2 cities, as well as neighborhoods outside the city centers. These communities often have a more difficult time attracting investment, which is why part of our recent efforts have been dedicated to increasing our focus on these cities and neighborhoods.

The state of real estate in New Jersey is strong, particularly in our urban centers where we're witnessing significant economic resurgences led by redevelopment efforts. The NJRA expects this growth to continue and expand with the implementation of the Opportunity Zone program. The Opportunity Zone program is specifically designed to increase economic opportunity by incentivizing new development in low-income urban and rural areas. In 2018, NJRA served as a premiere catalyst furthering the investments that will provide sustainable growth for urban New Jersey.

NJRA has the proven ability through our financial and technical resources to ensure the redevelopment process embraces the community. It is our goal that NJRA will continue to be an advocate for cities to ensure future generations will benefit from investment opportunities.

We are proud of the NJRA's accomplishments in 2018 and look forward to 2019 with optimism that our continued investments will allow the NJRA to grow our communities in a fairer and stronger New Jersey.

Sincerely,

Sheila A. Oliver

Sheila Oliver
Chair, New Jersey Redevelopment Authority
Lt. Governor, State of New Jersey
Commissioner, Department of Community Affairs

Leslie A. Anderson

Leslie A. Anderson
President & CEO
New Jersey Redevelopment Authority



CREATING PARTNERSHIPS AND OPPORTUNITIES IN OUR COMMUNITIES

Through creative community investments and partnerships, NJRA serves as the primary link between redevelopment projects and the financing required for urban-centered neighborhoods.

The NJRA pursues innovative and creative techniques designed to revitalize urban neighborhoods through the following initiatives:

TRANSFORMING COMMUNITIES THROUGH CREATIVE FINANCING

Through creative community investments, the NJRA serves as the primary link between redevelopment projects and the financing required for urban-centered neighborhoods. The Authority works in partnership with local municipalities to address areas in need of revitalization, and it provides the financial and technical assistance required to bring each project to fruition.



THE REDEVELOPMENT INVESTMENT FUND (RIF)

RIF provides flexible debt and equity financing for business and real estate ventures. Through RIF, NJRA offers direct loans, real estate equity, loan guarantees, and other forms of credit enhancements. This initial program was created in 1996 through the New Jersey Redevelopment Act.

NJRA BOND PROGRAM

The Bond Program issues both taxable and tax-exempt bonds to stimulate revitalization in New Jersey's urban areas. Bonds are issued at favorable interest rates to a broad range of qualified businesses and nonprofit organizations.

URBAN SITE ACQUISITION PROGRAM (NJUSA)

The Urban Site Acquisition Program (NJUSA), is a revolving loan where funds are provided to facilitate the components of an urban redevelopment plan for acquisition and predevelopment of properties. NJUSA also provides for-profit and nonprofit developers and municipalities with a form of bridge financing to acquire titles to property and other acquisition related costs.

WORKING IN NEWARK'S NEIGHBORHOODS (WINN)

WINN is a revolving loan fund that could be used for commercial and mixed-use projects directly related to comprehensive redevelopment initiatives in Newark's neighborhood.

NEW JERSEY REDEVELOPMENT TRAINING INSTITUTE



The NJRA Redevelopment Training Institute (NJRARTI) provides opportunities for professional consultants, nonprofit and for-profit developers, entrepreneurs, and government officials to learn about all aspects of redevelopment. Through NJRARTI, class participants gain knowledge on various topics including the redevelopment planning process, real estate feasibility, tax credits, and understanding the key to financing a project. The goal of NJRARTI is to outline the nuances of the redevelopment planning process.

NJRARTI staff also facilitates Municipal Consultations to further strengthen the relationship with our municipal partners, and to create an opportunity for municipalities to have first-hand access to the NJRA Board, state departments, and nonprofit agencies to present proposed redevelopment projects.

Through consultation each municipality can identify their needs for financial assistance, resources and/or additional technical assistance to proceed with a specific project or redevelopment plan. This opportunity provides municipalities with the technical resources necessary to build a foundation to sustain profitable redevelopment projects.

PROJECT UPDATE: RISING TIDE CAPITAL

NJRA provided a \$1.5 million NJUSA Loan to Rising Tide Capital (RTC) to acquire a newly constructed building to serve as RTC's core programmatic hub—with classroom, meeting, and co-working spaces located within the Greenville section of Jersey City.

Rising Tide Capital, Inc. grew from a small neighborhood-based organization into a nationally recognized leader in the field of entrepreneurship education and inclusive community economics. RTC has achieved national recognition for its work providing high-quality business education and consulting services to local entrepreneurs in low-income communities. The new four-story building at 311-315 MLK Drive will include 20,000 sq. ft. of commercial and residential space—including 5,000 sq. ft. of ground floor retail with a dedicated courtyard, ten (10) units of affordable housing on the 2nd and 3rd floors, a third commercial unit of 900 sq. ft.



NJRA MUNICIPALITIES

Asbury Park City	Guttenberg Town	Millville City	Plainfield City
Bayonne City	Hackensack City	Monroe (Gloucester)	Pleasantville City
Belleville Twp.	Hamilton Twp.	Montclair	Rahway City
Bloomfield Twp.	Harrison Town	Mount Holly	Ridgefield Borough
Brick Twp.	Highlands Boro	Neptune City Boro	Roselle Borough
Bridgeton City	Hillside Twp.	Neptune Twp.	Salem City
Burlington City	Hoboken City	New Brunswick City	South Amboy City
Camden City	Irvington Twp.	Newark City	Sussex Borough
Carteret Borough	Jersey City	North Bergen Twp.	Trenton City
Clifton	Keansburg Boro	Old Bridge Twp.	Union City
East Orange City	Kearny Town	Passaic City	Vineland City
Edgewater Boro	Lakewood Twp.	Paterson City	Weehawken Twp.
Elizabeth City	Lawnside Boro	Pemberton Twp.	West New York Town
Ewing Twp.	Lindenwold Boro	Penns Grove Boro	Willingboro Twp.
Garfield City	Lodi Boro	Pennsauken Twp.	Winslow Twp.
Glassboro Boro	Long Branch City	Perth Amboy City	Woodbridge Twp.
	Manchester Township	Phillipsburg Twp.	Woodbury City



NJRA BOARD MEMBERS

Ex-Officio Members

Shelia Oliver, Lt. Governor, Chairman
Department of Community Affairs

Robert Asaro-Angelo, Commissioner
Department of Labor- Workforce NJ

Shereef Elnahal, Commissioner
Department of Health & Senior Services

Gurbir Grewal, Attorney General
Department of Law & Public Safety

Dr. Lamont Repollet, Commissioner
Department of Education

Elizabeth Muio, State Treasurer
Treasury Department

Catherine McCabe, Commissioner
Department of Environmental Protection

Carole Johnson, Commissioner
Department of Human Services

Diane Gutierrez-Scaccetti, Commissioners
Department of Transportation

Paul Ceppi
NJ Economic Development Authority

Public Members

Barry E. Vankat

Harold Nafash

Cosmo J. Iacavazzi

B. Harold Smick, Jr.

R. Andrew Marshall

William Sumas

Robert Sierra

Claribel Azcona-Barber



NJRA Staff at 2018 Staff Day of Service

THE STRATEGY REPORT

The New Jersey Redevelopment Authority is required to submit a strategy document that (1) sets forth the goals and priorities governing the selection of projects; (2) reviews and evaluates the projects undertaken; and (3) forecasts and measures relevant indices of accomplishment of its goals of economic revitalization, including specifically:

- The number of jobs created, or to be created, by, or as a result of the project;
- The cost, or estimated cost, to the state involved in the creation of those jobs;
- The amount of private capital investment in, or simulated by, a project in proportion to the public funds invested therein

BACKGROUND

The New Jersey Redevelopment Authority (NJRA) was created legislatively, through the New Jersey Urban Redevelopment Act in July 1996. NJRA became fully operational in March 1997. Established as a financing authority with a focus on urban revitalization, NJRA replaced the NJ Urban Development Corporation. NJRA is an independent authority allocated to the New Jersey Department of Community Affairs. The Authority consist of 21 members (10 specified ex-officio cabinet members, 7 specified appointees of the Governor, 2 appointees of the Senate President and 2 appointees of the Assembly Speaker). The Commissioner of the Department of Community Affairs serves as the Chairperson of the Authority.

STRATEGIC MISSION

NJRA functions as a comprehensive urban resource center that focuses on improving the quality of life by creation value in New Jersey's urban communities. NJRA accomplishes this strategic mission through the investment of financial and technical resources in our eligible communities defined by its enabling legislation. The primary goal is to ensure that projects are urban-focused, the neighborhood-based, and investment driven.

ORGANIZATIONAL STRUCTURE

Business Development

The Division of Business Development creates prudent investment strategies by using the available resources to fund programs and initiatives. In addition, Business Development staff works closely with developers, nonprofits, community-based organizations, businesses, and other government agencies to structure projects that meet indemnified needs in the community.

Strategic Partnerships

Strategic Partnerships is responsible for identifying strategic business relationships and opportunities that enable the Authority to market its resources, establish and enhance NJRA branding, educate the redevelopment community, and grow its financial investments.

Technical Resources

NJRA's staff is comprised of professionals who are committed to providing technical assistance to its clients. These services include strategic neighborhood planning, plan implementation, project development, and financial modeling. NJRA also coordinates the efforts of local communities in obtaining technical and financial resources by other areas of state government. Additionally, NJRA uses its network of financial institutions, corporations, developers, utilities, and foundations to establish and develop meaningful public-private partnerships that serve the eligible municipalities.

NJRA RTI has been designed to provide real estate practitioners and industry professionals with a body of knowledge of the redevelopment and real estate development process. Since its inception, NJRA RTI has taught nearly 3000 participants.

NJRA RTI has been recognized as an approved training provider by the American Institute of Certified Planners, the New Jersey Department of Taxation, the New Jersey Supreme Court Board of Continuing Legal Education, and the New Jersey DCA Division of Local Government Services.

NJRA RTI offers a fee based customized training service to municipalities, non-profits and private companies. This service allows for on-site training and one on one redevelopment consultations.

GOALS AND PRIORITIES

The New Jersey Redevelopment Authority will focus on three key priority areas over the next biennium

- the effective investment of financial resources;
- the enhancement of technical services through the NJRA Redevelopment Training Institute;
- and the expansion of the legislative powers of NJRA.

The New Jersey Redevelopment Authority will continue to provide its financial resources to the eligible municipalities.

These resources include the:

- New Jersey Redevelopment Investment Fund (RIF)
- NJ Urban Site Acquisition Program (NJ USA)
- NJRA Bond Financing Program
- Working in Newark Neighborhoods Program (WINN).

The use of these loan products will allow NJRA to leverage its lending resources and be more proactive in the communities that it serves

NJRA will continue to provide direct support to eligible municipalities by providing Municipal Consultations and customized trainings, which are offered through the Redevelopment Training Institute.

NJRA will extend its technical resources to provide to assist municipalities in maximizing the existing resources within their designated Opportunity Zones.

PROJECT PRIORITIZATION

As per the New Jersey Urban Redevelopment Act, projects shall be prioritized in eligible municipalities as follows:

- Projects included in designated areas in need of redevelopment; designated redevelopment areas
- Projects that are included in the following areas: Urban Enterprise Zone; Transit Village and/or eligible municipalities with approved Neighborhood Revitalization Tax Credit (NRTC) plans
- Projects without the noted state designations but that also incorporates partnerships with community-based organizations, municipalities, and real estate development entities

NJRA shall use one or more of the following factors in deciding to provide financial assistance:

- Community involvement in developing the neighborhood empowerment plan
- Community input regarding the development of a specific project
- The extent to which the community stands to benefit by virtue of the development of the project
- The economic feasibility of the project
- The extent of economic and related social distress in the area to be affected by the project
- The degree to which the project will advance state, regional, and local development strategies
- The likelihood that the project will become capable of repaying the financing costs incurred
- The relationship of the project to a comprehensive local development strategy, including other projects
- The degree to which the project interfaces with public transportation systems