

# THE POWER OF THE PIVOT



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## 2020 ANNUAL REPORT



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NEW JERSEY  
REDEVELOPMENT AUTHORITY

## OUR MISSION

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The 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.

## OUR VISION

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



## DEAR FRIENDS AND SUPPORTERS



Leslie A. Anderson  
President & CEO



Lt. Governor Sheila Oliver  
Chair of NJRA Board

The 2020, Annual Report is presented in the middle of a once-in-a-lifetime event, the COVID-19 Pandemic. This year, the Annual Report is titled the “Power of the Pivot” because it will highlight how quickly the NJRA used creative investing to assist in sustaining our communities during the COVID-19 pandemic. A tenet belief of the NJRA is our vision, which is to be a premiere catalyst for investments that sustainably grow and develop urban communities. The New Jersey Redevelopment Authority was faced with the unprecedented challenge of how to maintain support to our partner municipalities. As such, we recognized the need to assist the business community within our designated municipalities impacted by the Government shutdown.

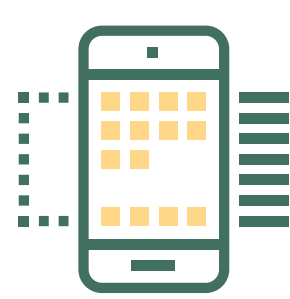
Through innovative, steadfast, and strong partnerships with our stakeholders, NJRA created the Small Business Lease Emergency Assistance Grant Program. We pivoted for a moment away from creative financing and provided grant funds for lease payments of up to \$10,000 to landlords on behalf of their small business tenant.

As a part of our motto “We are there first” and in this year of the pandemic, it was our mission to invest in micro small businesses in our underserved and distressed communities. Our mission during the pandemic was to sustain ownership, jobs, and to continue to promote stabilization of neighbors during the pandemic. We purposely aimed to sustain economic development through our creative investments, which included the small business grant program.

We are proud of the NJRA’s accomplishments in 2020 and look forward to 2021 with optimism that our continued investments will allow the NJRA to grow our communities in a fairer and stronger New Jersey.

# TECHNICAL ASSISTANCE

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# CREATIVE COMMUNITY INVESTMENTS



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.

## **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.

## **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.

## **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.

# SMALL BUSINESS LEASE EMERGENCY ASSISTANCE GRANT PROGRAM (SBLEAGP)

The Small Business Lease Emergency Assistance Grant Program (SBLEAGP) was created during the pandemic to help qualifying businesses in our 67 municipalities. The grant program focused on one of the core tenets of the NJRA, assisting our eligible communities with a creative financial tool. It proved rental payments for small micro businesses by providing grant funds to the landlord in the form of rental payments on behalf of the small business owner, who is the tenant. This allowed for the business owner and the landlord to both benefit from the program. The landlord was eligible to receive rental payments of up to \$10,000. This allowed the business owner to maintain the business but not having to worry about their lease for at least a few months.

In Phase 1, NJRA assisted \$1,100 small business owners totaling \$9.5 million in grant funding. In Phase II, NJRA awarded \$5.3 million in grants to 548 business owners.

- 90% were minorities,
- 55% were women
- 3% were veterans

70% of applicants had not received any other funding from any public sectors. Receiving the grants made the difference between staying open or closing. Since many businesses have not only been affected professionally but also personally, owners were appreciative of any amount that could have helped with covering the rent completely or even just a portion.

NJRA administered county based small business programs on behalf Essex, Ocean, and Passaic counties.

Essex: \$5,306,859 - 624 businesses

Ocean: \$1.9 million - 225 businesses

Ocean II: \$4.8 million - 221 businesses

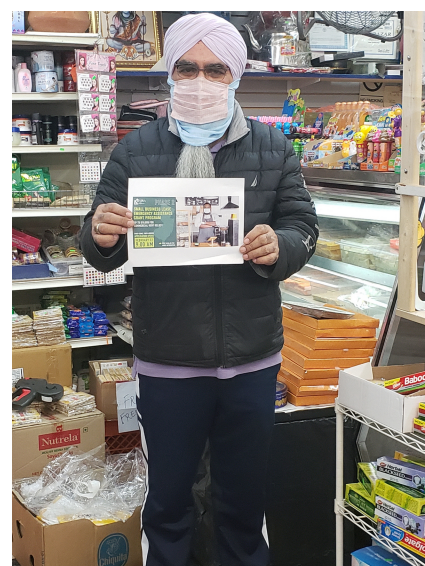
Passaic: \$1,608,693 - 231 businesses

To date, NJRA has disbursed more than \$30 million in COVID related funding to small businesses owners within our eligible communities and partnership counties during the pandemic.

# FEET ON THE STREET (SBLEAGP)

The Small Business Lease Emergency Assistance Grant Program (SBL-EAGP) was created during the pandemic to help qualifying businesses in our 67 municipalities.

In order to ensure the awareness of our lease program "Feet On The Street" initiative was developed strategically to produce an organic and direct form of communication. Our team went into the neighborhoods where our small businesses were located passing out flyers and educating those on our (SBLEAGP).



# SMALL BUSINESSES TESTIMONIES

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## DANCING THROUGH LIFE

“By receiving the grant, I was able to afford to pay rent and pay employees. Especially from December which was when it was at a high and I was losing students left and right. It truly helped us get through. It helped me to pay for stuff needed such as masks, sanitizers, purifiers, and just anything we didn’t expect to need to get us through.”





# SMALL BUSINESSES TESTIMONIES

## SOL SAZON

“On behalf of all the friends and family of Sol Sazon, we would like to extend a HUGE thank you to you and the rest of the NJRA organization for helping us save our restaurant. Without the grant we received, we do not know how we would have recovered from the hit we took during this pandemic. We are forever grateful that we were one of the restaurants afforded the opportunity to stay afloat thanks to this grant.”



# SMALL BUSINESSES TESTIMONIES

## THE KABAB KING LLC

“It helped a lot! For example, with rental expenses the funds helped us keep our doors open. Although we had to close our other location because we didn’t receive funding, I was genuinely happy that at least we were able to keep this one running.”



# SMALL BUSINESSES TESTIMONIES

## LOGIC MARKETPLACE

“When the pandemic hit, I didn't think I was going to be able to stay open. I was so scared, I thought after all my hard work and my family's I was going to be forced to close. On top of having to figure out how to keep the business afloat when there were no customers coming in, vendors stopped delivering, Restaurant Depot had (and still has) very limited inventory, my personal life suffered a major loss. My partner of 20 years died of Covid. Now I was alone at home, in pain, and dealing with all the bills etc.

Once the government started offering help to small businesses, we had some hope. When I heard about the NJRA Lease Grant program I was very excited and prayed a lot. I really needed that help. My landlord refused to help me and didn't care about my situation. All he wanted was his money (he is still like this now). I didn't have the money to pay him. I started falling behind.

Once I got approved and was able to pay rent for months my life changed!!!! Now I was finally able to breath for a couple of months and try to focus on inventory and bring customers back. Without this help I wasn't going to be able to survive those horrible months.

NJRA Lease Grant was what kept my doors open. THANK YOU!!!!

I want to specifically highlight the excellent treatment and all the help that Ms. Dawn Parreott and Mrs. Jenelle Johnson - Baker gave me and all the assistance that they provided over and over (I drove them crazy called and emailed so many times) I think that your organization is amazing and has amazing people working there. It truly feels like they care.

From a very small minority business owner I want to say from the bottom of my heart THANK YOU NJRA!!!”



# THE STRATEGY REPORT

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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.

# THE STRATEGY REPORT

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## 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

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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.

# TECHNICAL RESOURCES

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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

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

- Expand our lending services to also provide Private Activity Bonds to applicants with eligible projects in NJRA's communities
- NJRA anticipates tapping back into the New Market Tax Credit Arena to provide special financing to applicants that are looking to invest in NJRA's Distressed and low-income communities.
- NJRA will also extend our portfolio to include a variety of projects, outside of the traditional mixed-use developments, with a key focus on projects located in areas in need of redevelopment.

The New Jersey Redevelopment received an allocation of \$20 million in 2020, \$10 million will be injected into the USA fund and \$10 million will be added to RIF. The 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

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**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 the 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

## EX-OFFICIO MEMBERS

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

Robert Asaro-Angelo, Commissioner  
Department of Labor and Workforce Development

Judith M. Persichill, Commissioner  
Department of Health

Gurbir Grewal, Attorney General  
Department of Law & Public Safety

Angelica Allen-McMillan, Ed. D., Acting Commissioner  
Department of Education

Elizabeth Muoi, State Treasurer  
Department of Treasury

Shawn LaTourette, Acting Commissioner  
Department of Environmental Protection

Sarah Adelman, Acting Commissioner  
Department of Human Services

Diane Gutierrez-Scaccetti, Commissioner  
Department of Transportation

Paul Ceppi  
NJ Economic Development Authority

Public Members  
Barry E. Vankat  
R. Andrew Marshall  
William Sumas  
Robert Sierra