



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

new jersey

Highly educated, perfectly located.

Real Estate Impact Fund - Public Component

Underutilized properties in Targeted Areas, as noted below, that are owned by the municipality, local redevelopment agency or county improvement authority may be eligible for financing of up to \$750,000 for eligible project costs.

The goal of the Real Estate Impact Fund is to support and foster redevelopment in strategic urban and other significant locations that would not otherwise occur in the near term and to strengthen existing and catalyze future development opportunities and private investment. The Impact Fund will advance economic development by supporting projects consistent with local redevelopment plans or strategies, attract private investment, and by creating or retaining jobs.

Eligible Projects:

- Property Must be owned by the municipality, local redevelopment agency or county improvement authority.
- Property must be zoned for commercial or mixed-use, or commercial or mixed use as a permitted use within an approved redevelopment plan. Residential only projects are ineligible.
- The property, in its remediated condition, must have an appraised value equal to or greater than 120% of the requested loan amount.
- Property must be contiguous lots.

Targeted Areas:

[Projects must be located in either an Urban Aid Municipality, defined as a municipality qualified to receive assistance under P.L. 1978, c.14 \(N.J.S.A. 52:27D-178 et seq.\);](#) or within Fort Monmouth or be a New Jersey university/college sponsored project that is a public-private partnership that promotes emerging technologies or industries.

Available Financing:

- Minimum loan amount of \$100,000
- Maximum loan amount of \$750,000
- Loan will be the lesser of 100% of total project costs or the property's appraised value, in its remediated condition, divided by 120%, rounded to the nearest one-hundred dollars.

continued

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Job Creation:

Applicant must provide a plan for the end-use of the site including an estimate of the number of jobs expected to be created based on the anticipated build-out of the property and the current zoning. Job creation will be measured by the project developed on the site and the return of the property to the real estate tax roll.

Financing Instruments:

- The loan must be in first mortgage lien position, including any federal, county, and municipal liens (i.e., a property will not be eligible if there is any outstanding governmental lien)

Loan Term:

- Term: Maximum 10 years, commencing upon loan closing;
- Loan due at earlier of refinancing, sale of property, ownership change/transfer (“Liquidity Event”), or end of loan term.

Rates, Repayment & Participating Mortgage Loan Structure:

- Interest rate: 3%
- During the term of the loan, interest shall accrue and be added to principal annually at the stated interest rate until the earlier of the Liquidity Event or the end of the term.
- All unpaid or deferred interest payments and principal shall be due in full at the end of the loan term, or at a Liquidity Event.

Fees*:

- Application fee: \$2,500
- Commitment fee: 0.875% of loan amount
- Closing fee: 0.875% of loan amount
- Applicants will reimburse NJEDA for any third party fees (e.g. appraisals, market studies, etc.) as necessary, prior to Board approval
- Loan modification fees apply.

** Fees are non-refundable.*

[Application](#)
[Application Checklist](#)