



NEW JERSEY REGISTER
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VOLUME 47, ISSUE 2

ISSUE DATE: JANUARY 20, 2015

RULE ADOPTIONS

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

47 N.J.R. 298(a)

Adopted Amendments: *N.J.A.C. 19:30-6.1* and *19:31-3.1*

Administrative Rules; Fees

Authority Assistance Programs; Direct Loan Program

Real Estate Impact Fund

Proposed: October 20, 2014, at *46 N.J.R. 2107(a)*.

Adopted: December 22, 2014, by New Jersey Economic Development Authority, Michele Brown, Chief Executive Officer.

Filed: December 22, 2014, as R.2015 d.018, **with non-substantial changes** not requiring additional public notice and comment (see *N.J.A.C. 1:30-6.3*).

Authority: *N.J.S.A. 34:1B-1* et seq.

Effective Date: January 20, 2015.

Expiration Date: November 9, 2017.

Summary of Public Comment and Agency Response:

No public comments were received.

Federal Standards Statement

The adopted amendments are not subject to any Federal standards or requirements; therefore, a Federal standards analysis is not required.

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks ***thus***; deletions from proposal indicated in brackets with asterisks ***[thus]***):

(Agency Note: The text of *N.J.A.C. 19:30-6.1* published below reflects amendments adopted effective January 20, 2015, published elsewhere in this issue of the New Jersey Register. The text of *N.J.A.C. 19:31-3.1* published below reflects amendments adopted effective December 15, 2014, published at *46 N.J.R. 2420(a)*.)

SUBCHAPTER 6. FEES

19:30-6.1 Application fee

(a) Except as set forth in (c) and (d) below, a non-refundable fee of \$ 1,000 shall accompany every application for Authority assistance, except for:

1.-2. (No change.)

3. An application for assistance under the Small Business Fund and *N.J.S.A. 34:1B-47* et seq., for which the fee is \$ 300.00; and

[5.] *4.* An application for assistance under the Real Estate Impact Fund, for which the fee is \$ 2,500; and the full amount of direct costs of any analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid.

(b)-(d) (No change.)

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of \$ 2,000,000 for fixed asset financing and \$ 750,000 for working capital.

1.-7. (No change.)

8. For the Real Estate Impact Fund, the maximum loan amount will be \$ 3 million, not to exceed 25 percent of the total project costs; and the total amount of public assistance that a developer or business may receive shall not exceed 50 percent of the total project costs.

(c)-(g) (No change.)

(h) Proceeds of Real Estate Impact Fund loans may be used for eligible project development costs within municipalities qualified to receive assistance under P.L. 1978, c. 14 (*N.J.S.A. 52:27D-178* et seq.) or within Fort Monmouth or as part of New Jersey university/college sponsored projects that include public-private partnerships that promote emerging technologies or industries.

(i) The Authority shall determine the term, and fixed and/or variable rates of interest, including interest rate floors, to be charged for each loan product through consideration and official action of the Members at a public hearing. The applicant shall elect in writing, at or prior to the time of closing, a fixed interest rate or at a variable interest rate.

1.-5. (No change.)

6. The rate of interest for Real Estate Impact Fund loans shall be determined by the economic feasibility and economics pertaining to the return on investment and the ability to attract the required investment; and full repayment shall be due and payable to the Authority at the earlier of the end of the loan term or a liquidity event, on terms and conditions mutually agreed upon based on the structure and merits of the project.

7. (No change in text.)

[(m)] *(j)* For New Markets Loans:

1. (No change.)

2. For New Market Loans, the projects must be located within areas designated for smart growth land use development and designated by the New Jersey Development and Redevelopment Plan as in Planning Areas One or Two or in a designated center or endorsed plan. Additionally, projects must be located in communities and census tracts as approved by the Community Development Financial Institutions Fund (CDFI) as described in ***(m)2i*** ***(j)2i*** through iii below and must have at least one of the characteristics described in ***(m)3*** ***(j)3*** below.

i.-iii. (No change.)

3.-4. (No change.)

(n) ***(k)*** (No change in text.)