

# **New Jersey Redevelopment Authority**

## **2014 ANNUAL REPORT**



## **CREATIVE COMMUNITY INVESTMENTS**



## **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.





# TABLE OF CONTENTS

Message from Chairman and Executive Director	4
NJRA Board of Directors and Staff	5
Creative Community Investments	6
New Market Tax Credits	7
Predevelopment Loan Fund for Affordable Rental Housing (PDLF)	8
NJRA Municipalities	10
A Look Back - The Whittaker at Mill Hill	11
NJRA Redevelopment Training Institute	12
NJRA Strategy Document	14





## DEAR COLLEAGUES

The New Jersey Redevelopment Authority is the primary link for New Jersey's urban communities throughout the state and serves as the premiere catalyst for both financial and technical assistance for redevelopment projects.

The 2014 Annual Report demonstrates the NJRA's commitment to creative community investments and partnerships which stimulate economic development, stabilize distressed neighborhoods, create opportunities for access to affordable housing and promote commercial development.

The long-term benefits that come as a result of NJRA's investments improve the quality of life and create value for people and communities throughout our state.

We are proud of our accomplishments in 2014 and look forward to 2015 with even more optimism that our continued investments will allow the NJRA to sustainably grow and develop urban communities through our creative investment endeavors.

A stylized, handwritten signature in black ink, consisting of a large 'R' followed by a horizontal line.

Richard E. Constable, III  
DCA Commissioner  
Chairman

A handwritten signature in black ink that reads 'Leslie A. Anderson' in a cursive script.

Leslie A. Anderson  
Executive Director

# NJRA BOARD OF DIRECTORS

## EX-OFFICIO MEMBERS

**RICHARD E. CONSTABLE III**  
Chairman

**JOHN JAY HOFFMAN**  
Acting Attorney General

**ANDREW P. SIDAMON-ERISTOFF,**  
Treasurer

**DAVID C. HESPE,** Commissioner  
Department of Education

**BOB MARTIN,** Commissioner  
Department of Environmental Protection

**MARY E. O'DOWD,** MPH Commissioner  
Department of Health

**ELIZABETH CONNOLLY,** Acting Commissioner  
Department of Human Services

**HAROLD J. WIRTHS,** Commissioner  
Department of Labor and Workforce Development

**JAMIE FOX,** Commissioner  
Department of Transportation

**MELISSA ORSEN,** CEO  
Economic Development Authority

## PUBLIC MEMBERS

**COSMO J. IACAVAZZI**

**R. ANDREW MARSHALL**

**HAROLD NAFASH**

**B. HAROLD SMICK, JR.**

**WILLIAM SUMAS**

**BARRY E. VANKAT**

## STAFF

**LESLIE A. ANDERSON**  
Executive Director

**DARRYL GODFREY**  
Director of Business Development

**KIM AVANT BABB**  
Director of Strategic Partnerships

**ELLY GONZALEZ**  
Manager of Operations

**DAWN PARREOTT**  
Manager of Programs & Services

**SHARON LEE-WILLIAMS**  
Manager of Lending Services

**OSCAR PARHAM**  
Program & Marketing Coordinator

**ROY SOUTHERLAND, JR.**  
Loan Officer

**ENID TAYLOR**  
Executive Assistant to the Executive  
Director

**DIANA ALBARRAN**  
Program Technology Analyst

**JACKIE CALDERON**  
Program Analyst

**MARGE CREELY**  
Administrative Analyst

# CREATIVE COMMUNITY INVESTMENTS

The New Jersey Redevelopment Authority (NJRA) is committed to investing in and revitalizing NJ's urban municipalities. The NJRA is the primary link between redevelopment projects and the financing required for many local redevelopment efforts. The Authority works in partnership with NJ's municipalities to address areas in need of redevelopment to provide the financial and technical assistance required to bring projects to fruition.

- The initial program created through the landmark legislation in 1996, the **Redevelopment Investment Fund, (RIF)**, provides flexible debt and equity financing for business and real estate ventures. Through the RIF Program, NJRA offers direct loans, real estate equity, loan guarantees and other forms of credit enhancement.
- The **NJRA Bond Program** issues both taxable and tax-exempt bonds to stimulate revitalization in New Jersey's urban areas. Bonds are issued at attractive interest rates to a broad range of qualified business and non profit organizations.
- Through the **Urban Site Acquisition Program (NJUSA)** revolving loan funds are provided to facilitate the acquisition, site preparation, and redevelopment of properties, which are components of an urban redevelopment plan. NJUSA also provides for-profit and nonprofit developers and municipalities with a form of bridge financing to acquire title to property and other acquisition-related costs.
- **Working in Newark's Neighborhoods (WINN)**, a subsidiary of NJRA, is a revolving loan program focused on redevelopment efforts in the City of Newark's neighborhoods. Funds from WINN can be used for commercial and mixed-used projects directly related to comprehensive development initiatives.
- The NJRA received \$10 million in Community Development Block Grant Funds (CDBG-DR) to administer the **Predevelopment Loan Fund for Affordable Housing (PDLF)** in response to Superstorm Sandy. The PDLF was created to address the storm's impact on New Jersey's rental market. Projects are eligible for financing of up to \$500,000 to help nonprofit housing developers cover predevelopment cost of properties that are deemed unsafe, underutilized, or in foreclosure. The units are then rented as affordable housing.



## NEW MARKET TAX CREDITS

On June 5, 2014, the U.S. Treasury's Community Development Financial Institutions Fund (CDFI) awarded \$3.5 billion in NMTC for the 2013 allocation round. The NJRA received \$20 million in NMTC allocation. As the sole Community Development Entity (CDE) within the State of New Jersey to receive a 2013 allocation, the NJRA will be invest capital in commercial and mixed-use development projects that will positively impact the quality of life in targeted communities in New Jersey.

The New Market Tax Credit will further enhance the NJRA's ability to create financing structures that meet the project needs. The resulting ventures will solidify the Authority's commitment to serve as the premiere catalyst for investments that sustainably grow and redevelop NJ's urban centers.

# **PREDEVELOPMENT LOAN FUND FOR AFFORDABLE RENTAL HOUSING (PDLF)**

The NJRA received \$10 million in Community Development Block Grant—Disaster Recovery Funds (CDBG-DR) to administer the Predevelopment Loan Fund for Affordable Housing (PDLF) on behalf of the Department of Community Affairs. The PDLF will provide a source of low cost financing to help nonprofit developers cover costs relating to the development of affordable rental properties that are currently unsafe, underutilized, or in foreclosure. All projects receiving financing will help to revitalize a community and address development needs that were created or exacerbated by Superstorm Sandy. To date, the PDLF program has approved financing for \$6.6 million of the original \$10 million allocation.

Superstorm Sandy caused unprecedented damage to New Jersey’s housing, business, infrastructure, health, social service and environmental sectors. On October 30, 2012 , President Obama declared all 21 counties in New Jersey as major disaster areas.

The focus of the PDLF financing is targeted in the nine (9) most severely impacted counties:

**ATLANTIC, BERGEN, CAPE MAY, ESSEX, HUDSON, MIDDLESEX, MONMOUTH, OCEAN and UNION.**



# PREDEVELOPMENT LOAN FUND FOR AFFORDABLE HOUSING (PDLF)

## PLAINFIELD YMCA HOUSING FOR AGING OUT YOUTH

The Plainfield Area YMCA will develop 30 special needs housing units for youth that are aging out of foster care. It is the intent of the project to provide safe and permanent alternative housing with intensive supportive services for youth aged 18-22, until they have skills and confidence to live independently. This project will entail the redevelopment of the second and third floors of the existing structure into efficiency apartments and common areas. All of the units will be for low-income youth aging out of foster care.

**Total Allocation: \$500,000                      Total Development Cost: \$10.1 million                      NJRA Leverage: 1:20**

## BAYSHORE VILLAGE PROJECT

Middletown Senior Citizen Housing Corporation, in conjunction with Community Investment Strategies (CIS), will redevelop a 100-unit senior housing development in Port Monmouth directly impacted by Superstorm Sandy. The new project will consist of 110 units of age-restricted affordable housing units.

**Total Allocation: \$500,000                      Total Development Cost: \$24.6 million                      NJRA Leverage: 1:49**

## HERITAGE VILLAGE AT OAKHURST PROJECT

Ocean Senior Citizen Housing Corporation, in conjunction with Community Investment Strategies (CIS), will redevelop a vacant 4.5 acre municipal-owned property into a 93-unit, affordable age-restricted housing development. Currently, the site is an underutilized site that is part of a stable neighborhood in Ocean Township.

**Total Allocation: \$500,000                      Total Development Cost: \$21.6 million                      NJRA Leverage: 1:43**

The NJRA Leverage Ratio highlights the NJRA investment to Partner Investments

## NJRA ELIGIBLE COMMUNITIES

Asbury Park City  
Bayonne City  
Belleville Twp.  
Bloomfield Twp.  
Brick Twp.  
Bridgeton City  
Burlington City  
Camden City  
Carteret Borough  
Clifton  
East Orange City  
Edgewater Boro  
Elizabeth City  
Ewing Twp.  
Garfield City  
Glassboro Boro

Guttenberg Town  
Hackensack City  
Hamilton Twp.  
Harrison Town  
Highlands Boro  
Hillside Twp.  
Hoboken City  
Irvington Twp.  
Jersey City  
Keansburg Boro  
Kearny Town  
Lakewood Twp.  
Lawnside Boro  
Lindenwold Boro  
Lodi Boro  
Long Branch City

Manchester Township  
Millville City  
Monroe (Gloucester)  
Montclair  
Mount Holly  
Neptune City Boro  
Neptune Twp.  
New Brunswick City  
Newark City  
North Bergen Twp.  
Old Bridge Twp.  
Passaic City  
Paterson City  
Pemberton Twp.  
Penns Grove Boro  
Pennsauken Twp.  
Perth Amboy City

Phillipsburg Twp.  
Plainfield City  
Pleasantville City  
Rahway City  
Ridgefield Borough  
Roselle Borough  
Salem City  
South Amboy City  
Trenton City  
Union City  
Vineland City  
Weehawken Twp.  
West New York Town  
Willingboro Twp.  
Winslow Twp.  
Woodbridge Twp.  
Woodbury City

# Project Update — THE WHITTAKER AT MILL HILL

The NJRA awarded the Whittaker, LLC a \$250,000 loan from the New Jersey Predevelopment fund in 2009 in order to further redevelop an underutilized site in the historic Mill Hill section of Trenton, NJ. The Whittaker Group in partnership with the NJRA and other State entities constructed the 40-unit luxury condominium project. As completed, the Whittaker is a set of two four-story buildings that has one-two-and three-bedroom for sale units. There is also a central court yard, off-street parking, fitness room and owners’ club. This projects meets or exceeds New Jersey Five Star Energy efficiency program standards.

The project fulfills the objectives of the Mercer-Jackson Urban Renewal Plan to restore the existing Mercer-Jackson neighborhood as a viable downtown residential and commercial area and to promote the health, safety, and general welfare of present and future residents and businesses of the area.

The project was developed by The Whittaker, LLC. The company is a wholly owned subsidiary of Leewood Real Estate Group/NJ, LLC. Michael R. Fink and R. Randy Lee are the principal owners of Leewood Real Estate Group/NJ, LLC and between the two there is over fifty years of experience in the real estate/construction industry.

On October 16, 2014, The Whittaker opened with an official ribbon cutting ceremony.



<b>NJRA Financing — Predevelopment Loan Fund</b>	<b>\$250,000</b>
<b>Total Development Cost:</b>	<b>\$10.1 million</b>
<b>NJRA Leverage Ratio:</b>	<b>1:40</b>

# NJRA REDEVELOPMENT AUTHORITY TRAINING INSTITUTE

## (NJRA RTI)



The NJRA created the Redevelopment Training Institute (NJRA RTI) to provide opportunities for professional consultants, non-profit and for-profit developers, entrepreneurs and government officials to learn about all aspects of redevelopment in a learning environment. Through the use of the NJRA RTI class participants gain knowledge on the redevelopment planning process in New Jersey, real estate feasibility and understanding the key to financing a project.



In addition to the course offerings, NJRA staff 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 Municipal Redevelopment Discussions (MRD), each municipality has the opportunity to identify their needs for financial assistance, resources and/or additional technical assistance needed to proceed with a specific project or redevelopment plan. This opportunity provides municipalities with the necessary resources needed to build and sustain profitable redevelopment projects.

# NJRA RTI — COMMUNITY REAL ESTATE DEVELOPMENT

## CLASS AND TOUR

NJRA RTI, in keeping with our creative community investment strategy has initiated the **Comprehensive Real Estate Development Class and Tour (CRED)** where participants use a case study approach to learn the fundamentals of real estate development using actual development projects as a backdrop to the concepts applications and discussion focused on redevelopment. In 2014, NJRA RTI toured sites in Orange, Elizabeth, and Camden.



*“The NJRA RTI is one of the best training programs that I’ve attended that provides very experienced industry practitioners, all of which provide useful, relevant information that can be vital to the profession.”*





# 2014 NJRA STRATEGY DOCUMENT

## *INTRODUCTION*

Every two years, in accordance with the New Jersey Urban Redevelopment Act, the New Jersey Redevelopment Authority (NJRA) is responsible for submitting a Strategy Document to the Governor and Legislature. This document is intended to set forth the goals and priorities of the NJRA, as well as to measure its accomplishments.

## *STRATEGIES OF THE NEW JERSEY REDEVELOPMENT AUTHORITY*

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

### **NEW JERSEY REDEVELOPMENT INVESTMENT FUND (RIF)**

Through the RIF Program, NJRA is able to offer direct loans, real estate equity, loan guarantees and other forms of credit enhancements. The source of funds for RIF is derived from \$9 million appropriated by the New Jersey Redevelopment Act; Repayment of loans; Income derived from authority investments; Monies collected as user fees.

### **NJ URBAN SITE ACQUISITION PROGRAM (NJUSA)**

The NJUSA Program is a \$20 million revolving fund that provides financing for site acquisition expenses including costs customarily associated with acquiring title to property, planning and predevelopment expenses, site assembly and redevelopment of properties, which are part of urban redevelopment plans.

## ***NJRA STRATEGY DOCUMENT (cont'd)***

### **BOND FINANCING**

NJRA issues bonds at attractive interest rates to a broad range of qualified businesses and nonprofit organizations. NJRA has the ability to issue \$100 million in both taxable and tax-exempt bonds to stimulate revitalization in New Jersey's urban areas. Tax-exempt bond financing can be used for land and building acquisition, new construction or expansion or purchase of new equipment and machinery.

### **WORKING IN NEWARK'S NEIGHBORHOODS (WINN)**

WINN, a subsidiary corporation of NJRA, is charged with the investment of \$10 million for redevelopment efforts in the City of Newark's neighborhoods. Funds from WINN can be used for commercial and mixed-use projects directly related to comprehensive redevelopment initiatives including: predevelopment, site preparation, acquisition, demolition, permanent financing, loan guarantees and construction financing.

## ***TECHNICAL RESOURCES***

The NJRA has a staff 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. The NJRA also coordinates the efforts of local communities in obtaining technical and financial resources offered by other units of State government. Additionally, the NJRA uses its network of financial institutions, corporations, developers, utilities and foundations to establish meaningful public-private partnerships serving eligible municipalities.

Finally, to further educate and improve the existing dialogue between community-based organizations and municipalities, NJRA offers the Redevelopment Training Institute (NJRA RTI). NJRA RTI offers intensive intermediate training modules that focus on the redevelopment of New Jersey's communities. These courses are designed to provide nonprofit and for-profit developers, professional consultants, entrepreneurs and city/county staff with a body of knowledge of the redevelopment and real estate development process. The goal of NJRA RTI is to provide classroom instruction resulting in enhanced knowledge of New Jersey's redevelopment process and project financing. Courses offered are: Redevelopment Planning Process, Real Estate Development and Finance.

## ***PRIORTIZATION OF PROJECTS***

As per the New Jersey Urban Redevelopment Act, prioritization of projects shall be accorded as follows:

1. A project in any municipality, eligible to receive aid under the “Special Municipal Aid Act” and is coextensive with a “special needs district” designated pursuant to the “Quality Education Act of 1990.” All cities, which are on DCA’s urban aid list and are designated Abbott districts, are eligible for assistance by the NJRA. Therefore the NJRA can play a major role in revitalizing the neighborhoods around the new schools, which will be constructed in these urban neighborhoods.
2. A project in a qualified municipality.

## ***DECISION CRITERIA***

The NJRA shall consider one or more of the following factors in providing 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



## **APPROVED INVESTMENTS**

\$335 million

## **NJRA Leverage**

\$3 Billion

In Private Investments

## **OUR PARTNERS**

- ♦ Municipalities
- ♦ Government Agencies
- ♦ For-Profit & Nonprofit Groups
- ♦ Community-Based Organizations
- ♦ Private Lenders
- ♦ Developers





NEW JERSEY REDEVELOPMENT AUTHORITY

150 West State Street

Trenton, NJ 08625

609-292-3739

[www.njra.us](http://www.njra.us)