



MEMO

TO: Brian Wilton, Deputy Chief Counsel Governor's Authorities Unit

FROM: Leslie A. Anderson
President and Chief Executive Officer

DATE: July 22, 2020

SUBJECT: New Jersey Redevelopment Authority
Board Meeting Minutes - Expedited Approval Request

In accordance with provisions of the New Jersey Redevelopment Authority Act (P.L. 1996, Chapter 62), I am attaching a certified copy of the minutes of the July 22, 2020, New Jersey Redevelopment Authority's Board Meeting for the Governor's review and approval.

We respectfully ask for expedited approval of the minutes of the July 22, 2020 Board Meeting for each of the items approved due to the COVID 19 nature of the loan moratorium for NJRA borrowers, as well as, the approval of the Small Business Lease-Emergency Assistance Grant Program and the execution of the MoU with the State Treasurer. The expedited approval will allow the NJRA to begin the marketing of the much needed SBL-EAGP to small businesses located in our eligible municipalities and we can inform our borrowers of their ability to request financial relief from loan payments.

Attachment

c: Sheila Y. Oliver, Lieutenant Governor

NEW JERSEY REDEVELOPMENT AUTHORITY

150 West State Street
Trenton, New Jersey 08625
July 22, 2020

MINUTES

ATTENDANCE

• **EX-OFFICIO MEMBERS**

Kimberly Holmes, representing Sheila Y. Oliver, Chairperson, Department of Community Affairs
Susan Fischer, representing Gurbir Grewal, Attorney General
Michael Jonas, representing Elizabeth Muoio, State Treasurer
Anthony Findley, representing Catherine McCabe, Commissioner, Department of Environmental Protection
Kellie Drakeford LeDet, representing Kevin Dehmer, Interim Commissioner, Department of Education
Marcela Maziarz representing Judith M. Persichilli, Commissioner, Health and Senior Services
Luis Tamayo, representing Carole Johnson, Commissioner, Department of Human Services
Roberto Soberanis, representing Robert Asaro-Angelo, Commissioner, Labor
James Lewis, representing Diane Gutierrez-Scaccetti, Commissioner, Department of Transportation
Paul Ceppi, NJ Economic Development Authority

• **PUBLIC MEMBERS**

Robert Sierra, Public Member
William Sumas, Public Member
Barry Vankat, Public Member

• **STAFF**

Leslie A. Anderson, President & CEO
Darryl Godfrey, Chief Operating Officer
Jenell Johnson-Baker, Senior Economic Development Advisor
Ashley Davis, Executive Assistant to the President & CEO
Jarrett Brown, Programming Liaison

• **ALSO ATTENDING**

Elizabeth Tillou, Deputy Attorney General
Stephanie Brown, Governor's Authorities Unit
Stu Bressler – Member of the Public

NOTICE OF PUBLIC MEETING

The meeting was called to order at 11:00 AM.

In accordance with the Open Public Meetings Act, Ashley Davis, announced that notice of the meeting had been sent to the Trenton Times, Star Ledger, and Asbury Park Press at least 48 hours prior to the meeting and that a meeting notice had been duly posted on the Secretary of State's bulletin board at the State House.

COMMISSIONER'S REMARKS

None

APPROVAL OF MINUTES

December 19, 2019

Motion to Approve: Barry Vankat

Second: Anthony Findley

Yeas: 13

Nays: 0

Abstentions: 0

The minutes of the December 19, 2019 meeting were approved.

NEW BUSINESS

RESOLUTION #20-01

Resolution #20-01 Approval of Resolution Approving the Small Business Lease – Emergency Grant Assistance Program Approving the Execution and Delivery of Agreements and other incidental action

Motion to Approve: Anthony Findley

Second: Barry Vankat

Yeas: 13

Nays: 0

Abstentions: 0

Note: The total amount of Coronavirus Relief Funding is Six Million Two Hundred and Fifty Thousand Dollars. Six Million dollars is allocated for Program Funding and Two Hundred Fifty Thousand will be dedicated to administrative costs.

RESOLUTION #20-02

Resolution #20-02 Approval of a Resolution Concerning Certain Matters regarding NJRA COVID 19 Three (3) Month Loan Payment Moratorium

Motion to Approve: Anthony Findley

Second: William Sumas

Yeas: 13

Nays: 0

Abstentions: 0

RESOLUTION #20-03

Resolution #20-03 Approval of a Resolution Approving the Execution of the Small Business Lease – Emergency Assistance Grant Program Memorandum of Understanding

Motion to Approve: Barry Vankat

Second: Kellie LeDet

Yeas: 13

Nays: 0

Abstentions: 0

Note: The total amount of Coronavirus Relief Funding is Six Million Two Hundred and Fifty Thousand Dollars. Six Million dollars is allocated for Program Funding and Two Hundred Fifty Thousand will be dedicated to administrative costs.

OTHER BUSINESS

None.

PUBLIC COMMENT

Mr. Stu Bressler attended the meeting as a member of the public but did not have a public comment.

Mr. Robert Sierria identified himself as a member of the public. Mr. Sierra however is a public member of the NJRA Board.

ADJOURNMENT

Motion to Adjourn: Bill Sumas

Second: Paul Ceppi

The meeting was adjourned at 11:31 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Redevelopment Authority at its July 22, 2020 meeting.

A handwritten signature in dark ink, appearing to read "Leslie A. Anderson", followed by a long, sweeping horizontal line that extends to the right.

Leslie A. Anderson, Secretary
New Jersey Redevelopment Authority

ACTION REQUESTED

1. Approve the creation of the Small Business Lease-Emergency Assistance Grant Program (“SBL-EAGP”). The intent of this program is to support small businesses located in NJRA’s 64 eligible municipalities adversely impacted by COVID-19. The SBL-EAGP will provide grants to:

- Small Businesses leasing commercial space in mixed-use buildings
- Small Businesses leasing space in commercial buildings
- Small Businesses leasing space to operate a storefront business

The proceeds of the grant funding will be used towards lease payments for the small business.

2. Delegation to President and CEO of NJRA to:

- execute a Memorandum of Understanding (MOU) with the NJ Department of Treasury outlining the use of funds through the Federal Coronavirus Aid Relief and Economic Security (“CARES Act”). The CARES Act appropriated approximately \$2.4 billion to NJ in Coronavirus Relief Fund (“CRF”) allocation to address community impacts of COVID-19. Upon execution of the MOU, NJRA will receive \$6 million from the CRF for the SBL-EAGP.

provide final approval for applicants who qualify for the SBL-EAGP in accordance with terms set forth in the attached Program Guidelines and to decline applications and issue final administrative decisions based solely on non-discretionary reasons.

PROGRAM OVERVIEW

On March 9, 2020, as part of the state’s coordinated response to address the novel coronavirus outbreak, Governor Phil Murphy declared a State of Emergency and a Public Health Emergency as per executive order 103, to contain the spread of COVID-19.

As the COVID-19 pandemic continues to unfold, businesses throughout the state continue to endure the financial impact of closures, layoffs, reduction in revenues, resulting in cash flow challenges that will negatively impair businesses in their ability to fund business operations.

Businesses specifically located in distressed municipalities have experienced the financial burden of the COVID-19 pandemic. It is anticipated that businesses are going to encounter cashflow problems for the upcoming months, therefore needing financial relief and access to grants. The impact of COVID-19 within the state of New Jersey emphasizes the need to establish this program.

The CARES Act appropriated approximately \$2.4 billion to the State of New Jersey, in Coronavirus Relief Fund (“CRF”) allocation to address the impact of COVID-19 on communities throughout the state. As part of New Jersey’s CRF allocation, the NJRA will receive \$6 million for the Small Business Lease – Emergency Assistance Grant Program (“SBL-EAGP”) to support small businesses in our 64 eligible municipalities.

PROGRAM DETAILS

The SBL-EAGP will assist small businesses located in any of the 64 NJRA municipalities adversely impacted by COVID-19. The intended use of this program is to provide financial support by covering lease payments.

A grant agreement with terms and conditions of the SBL-EAGP must be executed by the small business owner and landlord prior to NJRA releasing grant funds. The grant agreement is a legal binding document between the landlord and tenant; if the NJRA is made aware of any false intent, the Office of the Attorney General will be informed to determine further action.

Eligible applicants must have a physical commercial location. The maximum amount of commercial leased space may not exceed 5,000 square feet.

The applicant will be required to complete a simplified debarment questionnaire. Debarment issues will be reviewed and handled by the Office of the Attorney General.

The maximum grant per applicant will not exceed \$10,000. As required by the State Treasurer through the MOU, all funds must be expended by December 1, 2020.

New Jersey Home Based businesses are not eligible to receive assistance from the SBL-EAGP. Additionally, prohibited businesses not eligible for the EAGP are listed in the eligibility guidelines.

Funds will be distributed on a first come first serve basis.

ATTACHMENTS

Resolution #20-01
Memorandum Dated July 20, 2020
SBL-EAGP Program Guidelines

**APPROVAL OF RESOLUTION
ESTABLISHING THE
THE SMALL BUSINESS LEASE EMERGENCY ASSISTANCE GRANT PROGRAM**

THE MEMBERS OF THE NEW JERSEY REDEVELOPMENT AUTHORITY hereby approve the:

1. creation of the Small Business Lease – Emergency Grant Assistance Program (“SBL-EAGP”) to support small businesses located in NJRA’s 64 eligible municipalities adversely impacted by COVID-19.
2. delegated authority to President and CEO of NJRA to execute a Memorandum of Understanding (MOU) with the NJ Department of Treasury outlining the use of funds through the Federal Coronavirus Aid Relief and Economic Security (“CARES Act”). The CARES Act appropriated approximately \$2.4 billion to NJ in Coronavirus Relief Fund (“CRF”) allocation to address community impacts of COVID-19. Upon execution of the MOU, NJRA will receive \$6 million from the CRF for the SBL-EAGP.
3. the associated delegated authority to staff to administer the program as outlined in the memorandum attached hereto and made part of.

BE IT FURTHER RESOLVED by members of the New Jersey Redevelopment Authority as follows:

Section 1. The President and CEO is authorized to execute documents pursuant to the Operating Authority is hereby authorized to execute, acknowledge, deliver, and attest the Grant Agreement, and such other documents as are necessary to consummate the transaction contemplated herein, with any changes, insertions and omissions as may be approved by President and CEO and/or any individual authorized to execute documents pursuant to the Operating Authority. The execution of the foregoing documents by said President and CEO or other authorized representative of the Authority shall be conclusive evidence of any approval of such documents in final form as authorized by this Section.

Section 2. Based on the foregoing determinations, President and CEO or any other appropriate official of the Authority is hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance is deemed reasonable and desirable in accordance with the Act and any other applicable laws of the State, and within the limitations of any applicable laws of the United States of America.

A copy of this resolution shall be immediately transmitted to the Governor. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after such copy of this resolution has been delivered to the Governor for his approval, unless during such ten-day period, the Governor shall approve the same, in which case, such action shall become effective upon such approval, as provided in the New Jersey Urban Redevelopment Act.

The foregoing is a true copy of a Resolution adopted by the New Jersey Redevelopment Authority at a meeting held on July 22, 2020.

VOTE

| YES | NO | ABSTAINED |
|-----|----|-----------|
| 13 | 0 | 0 |

A handwritten signature in black ink, appearing to read "Leslie A. Anderson", is written over a horizontal line.

Leslie A. Anderson, Secretary
New Jersey Redevelopment Authority



MEMO

TO: NJRA Members

FROM: Leslie A. Anderson, President and CEO

DATE: July 20, 2020

RE: Small Business Lease - Emergency Assistance Grant Program ("SBL-EAGP")

ACTION REQUESTED

1. Approve the creation of the Small Business Lease-Emergency Assistance Grant Program ("SBL-EAGP"). The intent of this program is in support of small businesses located in NJRA's 64 eligible municipalities adversely impacted by COVID-19. The SBL-EAGP will provide grants to:

- Small Businesses leasing commercial space in mixed-use buildings
- Small Businesses leasing space in commercial buildings
- Small Businesses leasing space to operate a storefront business

The proceeds of the grant funding will be used towards lease payments for the small business.

2. Delegation to President and CEO of NJRA to:

- execute a Memorandum of Understanding (MOU) with the NJ Department of Treasury outlining the use of funds through the Federal Coronavirus Aid Relief and Economic Security (CARES Act). The NJRA will receive \$6 million from the Coronavirus Relief Fund ("CRF") as established under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, for grant funding.
- provide final approval for applicants who qualify for the SBL-EAGP in accordance with terms set forth in the attached Program Guidelines and to decline applications and issue final administrative decisions based solely on non-discretionary reasons.

PROGRAM OVERVIEW

On March 9, 2020, as part of the state's coordinated response to address the novel coronavirus outbreak, Governor Phil Murphy declared a State of Emergency and a Public Health Emergency as per executive order 103, to contain the spread of COVID-19.

As the COVID-19 pandemic continues to unfold, businesses throughout the state continue to endure the financial impact of closures, layoffs, reduction in revenues, resulting in cash flow challenges that will negatively impair businesses in their ability to fund business operations.

Businesses specifically located in distressed municipalities have experienced the financial burden of the COVID-19 pandemic. It is anticipated that businesses are going to encounter cashflow problems for the upcoming months, therefore needing financial relief and access to grants. The impact of COVID-19 within the state of New Jersey emphasizes the need to establish this program.

The Federal Coronavirus Aid Relief and Economic Security (CARES) Act appropriated a \$2 billion to the State of New Jersey, through the Coronavirus Relief Fund (CRF), to address the impact of COVID-19 throughout the state. As a part of New Jersey's \$2 billion CRF allocation, the NJRA will receive \$6.25 million for the Small Business Lease – Emergency Assistance Grant Program (SBL-EAGP) to support small businesses in our 64 eligible municipalities.

PROGRAM DETAILS

The SBL-EAGP will assist small businesses adversely impacted by COVID-19. The intended use of this program is to provide financial support in covering lease payments.

A grant agreement with terms and conditions of the SBL-EAGP must be executed by the small business owner and landlord prior to NJRA releasing grant funds. The grant agreement is a legal binding document between the landlord and the small business; if the NJRA is made aware of any false intent, the Office of the Attorney General will be informed to determine further action.

Eligible applicants must have a physical commercial location and may not have any current legal matters connected to the business. The maximum amount of commercial leased space may not exceed 5,000 square feet.

The applicant will be required to complete a simplified debarment questionnaire. Debarment issues will be reviewed and handled by the Office of the Attorney General.

The maximum grant per applicant will not exceed \$10,000. As required by the State Treasurer through the MOU, all funds must be expended by December 1, 2020.

New Jersey Home Based businesses are not eligible to receive assistance from the SBL-EAGP. Additionally, prohibited businesses not eligible for the EAGP are listed in the eligibility guidelines.

Funds will be distributed on a first come first serve basis.

RECOMMENDATION:

Recommendation to approve the creation of the NJRA Small Business Lease- Emergency Assistance Grant Program. Final terms and conditions of the program are subject to change, and the President/CEO will have delegated authority to authorize the final terms and conditions of the program consistent with these program guidelines.

| <p style="text-align: center;"><u>PROGRAM GUIDELINES</u></p> <p style="text-align: center;">Small Business Lease Emergency Assistance Grant Program- (“SBL-EAGP”)</p> | |
|--|---|
| <p>Total Funding Available: \$6,000,000</p> <p>Maximum Grant Per Applicant: \$10,000</p> <p>State Objective:</p> <ul style="list-style-type: none"> • Assist eligible small businesses with rent payments to property owners in the 64 New Jersey Redevelopment Authority (“NJRA”) eligible municipalities impacted by COVID-19 • The need for these funds as per the COVID-19 pandemic is urgent <p>Distribution Requirements</p> <ul style="list-style-type: none"> • Grant will be awarded on a first come first serve basis | |
| <p>OVERVIEW</p> | <p>The NJRA has developed a grant program with the intended use of assisting applicants in the 64 NJRA eligible municipalities adversely impacted with business operations due to the COVID-19 pandemic. Legislatively, the NJRA is designated to provide financial resources and technical assistance to the 64 designated municipalities pursuant to chapter 62, 1996, “The Redevelopment Act.” The SBL-EAGP is designed to leverage amongst several programs created by the State of New Jersey to assist small businesses affected during a declared NJ state of emergency.</p> <p>This program will provide grants to:</p> <ul style="list-style-type: none"> • Small Businesses leasing commercial space in mixed-use buildings • Small Businesses leasing space in commercial buildings • Store front businesses that lease their space <p>Eligible applicants will need to supply:</p> <ul style="list-style-type: none"> • Current copy of executed lease outlining terms and conditions of said agreement • Certification from tenant applicant confirming closure date of operations due to COVID-19 • Copy of current NJ tax clearance certificate • Applicant must answer debarment questions included in the application <p>The applicant must provide:</p> <ul style="list-style-type: none"> • Verification from the landlord that the respective business is in good standing with monthly lease obligations prior to March 1, 2020 • Landlord and tenant will need to sign a certification acknowledging amount of outstanding lease obligations, not to exceed \$10,000 (tenant will not be disqualified if monthly lease payments are current/up to date). |

| | |
|---------------------------------------|---|
| OVERVIEW (cont'd) | <p>As part of the grant agreement, both the small business and landlord are required to sign a commitment that once NJRA releases funds and “payment” is received for the lease obligations, the landlord must certify the small business will not be displaced during this period of recovery (that is, for the time period for which the grant paid the lease obligations). Additionally, the landlord agrees not to seek any remedies against the small business for not paying the lease obligations that were paid by the grant. In the event the landlord displaces the small business after receipt of lease payment, the Landlord will be responsible for reimbursing the NJRA for the total amount of the grant awarded.</p> |
| Eligible Applicants | <p>Small Businesses located in NJRA eligible municipalities currently leasing commercial space in mixed-used buildings, Small Businesses leasing space in commercial buildings, and store front businesses that lease their space. All non-profit entities organized under all subsections of 501(c).</p> <p>To be eligible as a small business, the applicant’s leased premises must be less than 5,000 square feet of leasable space. Multiple locations leased by the same business shall be aggregated.</p> |
| Eligible Business Locations | <p>The business must be in one of the 64 NJRA eligible municipalities. All other locations do not qualify.</p> |
| Eligible Types of Businesses | <p>Most businesses are eligible to apply for this program but for: Gambling and gaming activities, the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude, or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sales; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes. Tattoo shops, vaping and marijuana dispensaries and any business involved in selling alcohol are also ineligible.</p> |
| Eligible Use of Grant Proceeds | <p>Applicants in need of assistance with monthly lease payments due to COVID 19. Applicant does not have to be delinquent on their lease payment(s) to apply for this program. As a small business owner, the applicant may have exhausted all their savings to avoid closure of the business. The NJRA will also assist applicants, delinquent as of March 1, 2020.</p> <p>Due to federal prohibitions against using federal funding for certain lobbying or political activities, the grant agreement will contain language prohibiting the use of use of the grant for any lobbying and political activities by non-profit entities organized under all subsection of 501(c).</p> <p>As required by the State Treasurer through the MOU, all funds must be expended by December 1, 2020.</p> |

| | |
|---------------------------|--|
| Selection Criteria | <ul style="list-style-type: none"> • Applicants must be in good standing with the State of New Jersey per the state's annual registration process • Projects must meet the Corona Virus Relief Fund "CRF" eligibility guidelines* • Applicant will need to provide a current tax clearance certificate (if tax clearance is not presented at the time of application submission, the NJRA will allow the applicant 72 hours to obtain a tax clearance certificate) <p>*The CRF dated April 22, 2020, includes expenditures to allow the state to respond directly to the emergency by providing economic support to those suffering from employment or business operations due to Covid-19 related business closures. The expenditures of using fund payments from the CRF are considered "necessary" in addressing the current pandemic to avoid closure of small businesses located in the NJRA 64 eligible municipalities.</p> |
| Fees | Not applicable. This program does not entail any fees. |
| Grant Amounts | Not to exceed \$10,000 |
| Timing | Applications will be handled on a first come, first served basis. The volume of applications anticipated during this period is expected to reach numbers that may result in additional review of applications to determine eligibility. |

NEW JERSEY REDEVELOPMENT AUTHORITY
ELIGIBLE MUNICIPALITIES

1. Asbury Park City
2. Atlantic City
3. Bayonne City
4. Belleville Township
5. Bergenfield Borough
6. Bloomfield Township
7. Brick Township
8. Bridgeton City
9. Burlington City
10. Camden City
11. Carteret Borough
12. Clifton City
13. East Orange City
14. Elizabeth City
15. Garfield City
16. Glassboro Borough
17. Gloucester City
18. Gloucester Township
19. Hackensack City
20. Harrison Town
21. Hillside Township
22. Hoboken City
23. Irvington Township
24. Jersey City
25. Keansburg Borough
26. Kearny Town
27. Lakewood Township
28. Lindenwold Borough
29. Lodi Borough
30. Long Branch City
31. Millville City
32. Monroe Township (Gloucester)
33. Montclair Township
34. Mount Holly Township
35. Neptune City Borough
36. Neptune Township
37. New Brunswick City
38. Newark City
39. North Bergen Township
40. Nutley Township
41. Old Bridge Township
42. Orange City
43. Passaic City

44. Paterson City
45. Pemberton Township
46. Penns Grove Borough
47. Pennsauken Township
48. Perth Amboy City
49. Phillipsburg Town
50. Plainfield City
51. Pleasantville City
52. Rahway City
53. Roselle Borough
54. Salem City
55. Sussex Borough
56. Trenton City
57. Union City
58. Vineland City
59. Weehawken Township
60. West New York Town
61. Willingboro Township
62. Winslow Township
63. Woodbridge Township
64. Woodbury City

ACTION REQUESTED

Approval of an immediate three (3)-month payment moratorium to support existing NJRA borrowers due to the COVID-19 pandemic.

BACKGROUND

On March 9, 2020, as part of the state's coordinated response to address the novel coronavirus outbreak, Governor Phil Murphy declared a State of Emergency and a Public Health Emergency as per executive order 103, to contain the spread of COVID-19.

As the COVID-19 pandemic continues to unfold, businesses throughout the state continue to endure the financial impact of a reduction in revenues, resulting in cash flow challenges that will negatively impair our borrowers and their obligation to pay the existing NJRA debt.

To assist our borrowers with the widespread economic impact of COVID-19, the NJRA Staff is recommending a three (3) month moratorium on principal and interest payments on all loans in the Authority's portfolio. This request excludes loans that are more than 90 days delinquent, in addition to any loans in which the NJRA is in active litigation. If approved, this moratorium will be effective immediately and extends through June 30, 2020. The moratorium is automatic and does not require the request of this deferment from the borrower.

**APPROVAL OF RESOLUTION
CONCERNING CERTAIN MATTERS REGARDING
NJRA COVID-19 THREE (3) MONTH LOAN PAYMENT MORATORIUM**

THE MEMBERS OF THE NEW JERSEY REDEVELOPMENT AUTHORITY hereby approve the NJRA COVID 19 three (3) month loan moratorium and the associated delegated authority to staff to administer the moratorium as outlined in the memorandum attached hereto and made part of.

A copy of this resolution shall be immediately transmitted to the Governor. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after such copy of this resolution has been delivered to the Governor for his approval, unless during such ten-day period, the Governor shall approve the same, in which case, such action shall become effective upon such approval, as provided in the New Jersey Urban Redevelopment Act.

The foregoing is a true copy of a Resolution adopted by the New Jersey Redevelopment Authority at a meeting held on July 22, 2020.

VOTE

| YES | NO | ABSTAINED | TABLED |
|-----|----|-----------|--------|
| 13 | 0 | 0 | |



Leslie A. Anderson, Secretary
New Jersey Redevelopment Authority



MEMO

TO: Members of the NJRA Board

FROM: Leslie A. Anderson, President/CEO

DATE: July 20, 2020

RE: Three (3) Month Loan Payment Moratorium

ACTION REQUESTED

Approval is requested for:

- an immediate 3-month payment moratorium to support existing customers currently impacted by the COVID-19 pandemic
- extension of NJRA's President/CEO authority to approve two additional 6-month extensions.

BACKGROUND

On March 9, 2020, as part of the state's coordinated response to address the novel coronavirus outbreak, Governor Phil Murphy declared a State of Emergency and a Public Health Emergency as per executive order 103, to contain the spread of COVID-19.

As the COVID-19 pandemic continues to unfold, businesses throughout the state continue to endure the financial impact of closures, layoffs, reduction in revenues, resulting in cashflow challenges that will negatively impair businesses in their obligation to pay existing debt.

Small businesses specifically located in distressed municipalities have experienced the financial burden of the COVID-19 pandemic. It is anticipated that businesses are going to encounter cashflow problems for the upcoming months, therefore needed debt relief and access to favorable financing.

To assist existing customers with the widespread economic impact of COVID-19, the NJRA is recommending a 3-month moratorium on principal and interest payments on all loans in the NJRA's portfolio. This request excludes loans that are either more than 90 days delinquent or any loans in which the NJRA is in active litigation. If approved by the members, this moratorium will be effective immediately. NJRA will inform all borrowers of this moratorium, the moratorium is automatic and does not require the request of this deferment from the borrower.

EXTENSION OF PAYMENT MORATORIUM

To address the anticipated needs of businesses affected by COVID-19, the members are asked to give the President/CEO through this action the authority to approve two additional 6-month extensions upon request from the borrower. The borrower will need to provide rational outlining the financial hardship related to Covid-19 acceptable to the NJRA. Approval of the extension will be determined by NJRA staff within two weeks of request from the borrower.

PROPOSED ACTIONS

To assist existing customers with the widespread economic impact of COVID-19, the NJRA is recommending a 3-month moratorium on principal and interest payments on all loans in the NJRA's portfolio. This request excludes loans that are either more than 90 days delinquent or any loans in which the NJRA is in active litigation. Additionally, the members are asked to give the President/CEO the authority to approve two additional 6-month extensions upon request from the borrower.

If approved by the members, this moratorium will be effective immediately. NJRA will inform all borrowers of this moratorium, the moratorium is automatic and does not require the request of this deferment from the borrower. Upon acceptance of the moratorium from the borrower, deferred payments will be collected at the end of the borrower's original maturity date of the loan terms.

ACTION REQUESTED

Approval of the execution of a Memorandum of Understanding (MoU) between the New Jersey State Treasurer (Treasurer) and the New Jersey Redevelopment Authority (NJRA) to implement the Small Business Lease Emergency Assistance Grant Program (the Program) through the “Coronavirus Aid, Relief and Economic Security Act,” P.L. 116-136, codified at 134 Stat. 281 (the “CARES Act”). A copy of that MoU is attached hereto in substantially final form.

BACKGROUND:

Due to the increase in the number of novel coronavirus (“COVID-19”) cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the “State”) on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State.

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the “COVID-19 Pandemic”) and on March 13, 2020, the President of the United States declared a national state of emergency; and

In response to the COVID-19 Pandemic, Congress enacted the “Coronavirus Aid, Relief and Economic Security Act,” P.L. 116-136, codified at 134 Stat. 281 (the “CARES Act”); the CARES Act provides, among other thing, some fiscal relief to the states; and

The State received \$2.4 billion (the “CARES Funds”) from the federal government under the CARES Act, which monies must be used in conformance with the requirements of the CARES Act; and

Due to the COVID-19 pandemic, businesses throughout the State continue to endure the financial impact of closures, layoffs, and reduction in revenues, resulting in cash flow challenges that will negatively impair businesses in their obligation to pay existing obligations, such as lease payments.

To assist businesses in the challenges caused by the COVID-19 pandemic, the NJRA will provide eligible businesses and property owners in NJRA eligible communities grant awards to be used toward monthly lease obligations under the Program, the specifications of the Program are contained in Exhibit A, attached hereto and made a part hereof;

Attachments

Resolution #20-03

Memorandum Dated July 21, 2020

Memorandum of Understanding

Small Business Lease-Emergency Grant Assistant Program Guidelines

**RESOLUTION APPROVING THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TREASURER OF THE STATE OF NEW JERSEY
AND
THE NEW JERSEY REDEVELOPMENT AUTHORITY**

THE MEMBERS OF THE NEW JERSEY REDEVELOPMENT AUTHORITY hereby approve the execution of a Memorandum of Understanding (MoU) between the New Jersey State Treasurer (Treasurer) and the New Jersey Redevelopment Authority (NJRA) to implement the Small Business Lease Emergency Assistance Grant Program (the Program) through the “Coronavirus Aid, Relief and Economic Security Act,” P.L. 116-136, codified at 134 Stat. 281 (the “CARES Act”). A copy of that MoU is attached hereto in substantially final form.

A copy of this resolution shall be immediately transmitted to the Governor. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after such copy of this resolution has been delivered to the Governor for his approval, unless during such ten-day period, the Governor shall approve the same, in which case, such action shall become effective upon such approval, as provided in the New Jersey Urban Redevelopment Act.

The foregoing is a true copy of a Resolution adopted by the New Jersey Redevelopment Authority at a meeting held on July 22, 2020

| VOTE | | |
|------|----|-----------|
| YES | NO | ABSTAINED |
| 13 | 0 | 0 |



Leslie A. Anderson, Secretary
New Jersey Redevelopment Authority



MEMO

TO: NJRA Members

FROM: Leslie A. Anderson, President and Chief Executive Officer, NJRA

Date: July 21, 2020

RE: **Memorandum of Understanding between the NJRA and the New Jersey State Treasurer**

ACTION REQUESTED

Approval of the execution of a Memorandum of Understanding (MoU) between the New Jersey State Treasurer (Treasurer) and the New Jersey Redevelopment Authority (NJRA) to implement the Small Business Lease Emergency Assistance Grant Program (the Program) through the "Coronavirus Aid, Relief and Economic Security Act," P.L. 116-136, codified at 134 Stat. 281 (the "CARES Act"). A copy of that MoU is attached hereto in substantially final form.

BACKGROUND:

Due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State.

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States declared a national state of emergency; and

In response to the COVID-19 Pandemic, Congress enacted the "Coronavirus Aid, Relief and Economic Security Act," P.L. 116-136, codified at 134 Stat. 281 (the "CARES Act"); the CARES Act provides, among other thing, some fiscal relief to the states; and

The State received \$2.4 billion (the “CARES Funds”) from the federal government under the CARES Act, which monies must be used in conformance with the requirements of the CARES Act; and

Due to the COVID-19 pandemic, businesses throughout the State continue to endure the financial impact of closures, layoffs, and reduction in revenues, resulting in cash flow challenges that will negatively impair businesses in their obligation to pay existing obligations, such as lease payments.

To assist businesses in the challenges caused by the COVID-19 pandemic, the NJRA will provide eligible businesses and property owners in NJRA eligible communities grant awards to be used toward monthly lease obligations under the Program, the specifications of the Program are contained in Exhibit A, attached hereto and made a part hereof;

RECOMMENDATION:

The Members are asked to approve the execution of the Memorandum of Understanding with the New Jersey State Treasurer to implement the Small Business Lease-Emergency Assistance Grant Program, attached hereto.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TREASURER OF THE STATE OF NEW JERSEY
AND
THE NEW JERSEY REDEVELOPMENT AUTHORITY

This **MEMORANDUM OF UNDERSTANDING** ("MOU") made by and between the TREASURER ("Treasurer") of the New Jersey Department of the Treasury ("Treasury") and the NEW JERSEY REDEVELOPMENT AUTHORITY ("NJRA"), an instrumentality of the State of New Jersey (the "State"). The NJRA and the Treasurer may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted the "Coronavirus Aid, Relief and Economic Security Act," P.L. 116-136, codified at 134 Stat. 281 (the "CARES Act"); and

WHEREAS, the CARES Act provides, among other thing, some fiscal relief to the states; and

WHEREAS, pursuant to the Fiscal Year 2020 Appropriations Act, L. 2019, c. 150 (the "FY 2020 Appropriations Act"), monies received from the federal government pursuant to a federal economic stimulus bill are appropriated to the applicable State entity to be spent on the purposes authorized by the federal economic stimulus bill; and

WHEREAS, the State received \$2.4 billion (the "CARES Funds") from the federal government under the CARES Act, which monies must be used in conformance with the requirements of the CARES Act; and

WHEREAS, due to the COVID-19 pandemic, businesses throughout the State continue to endure the financial impact of closures, layoffs, and reduction in revenues, resulting in cash flow challenges that will negatively impair businesses in their obligation to pay existing obligations, such as lease payments; and

WHEREAS, to assist businesses in the challenges caused by the COVID-19 pandemic, the NJRA will provide eligible businesses and property owners in NJRA eligible communities grant awards to be used toward monthly lease obligations under the Small Business Lease-Emergency Assistance Grant Program (the "Program"), the specifications of the Program are contained in Exhibit A, attached hereto and made a part hereof; and

WHEREAS, pursuant to this MOU, the Parties wish to set forth their understandings with respect to establishing and implementing the Program; and

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes State agencies to enter into agreements to provide assistance to each other.

NOW, THEREFORE, the Treasurer and the NJRA agree as follows:

Section 1. Grant Award.

Subject to the terms and conditions of this MOU, the Treasurer, as recipient of the CARES Funds shall make available to the NJRA funds in the amount of Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000.00) (the "Grant Funds") for the purpose of funding the Program. The entire amount of the Grant Funds shall be provided upon full execution of this MOU and submission by NJRA of any requisition or other document required by the Treasurer.

Section 2. Terms of the Grant Awards

The NJRA will provide grants under the Program as set forth on Exhibits A, respectively, attached hereto and made a part hereof, and pay for future administrative costs of the Program. Any material changes to any of the Program must be approved by the Treasurer prior to implementation of any such changes, except to the extent such changes are required to conform with federal requirements or conditions of funding.

Section 3. Responsibilities of the NJRA

3.1 To ensure compliance with the CARES Act and U.S. Department of the Treasury requirements, all Grant Funds must be expended by grantees no later than December 1, 2020.

3.2 The NJRA shall provide the requisite staff and support required to implement the Program.

3.3 The NJRA shall comply with the CARES Act, including, but not limited to, the U.S. Department of the Treasury Guidance and Frequently Asked Questions, as they may be updated, in implementing the Survey-Program.

3.4 In the event the NJRA does not disburse all of the Grant Funds by the time set forth in Section 3.1 above, the NJRA shall promptly remit to the Treasurer the balance of the remaining Grant Funds.

3.5 The NJRA is authorized to use an amount not to exceed \$250,000 of the Grant Funds to pay for its administrative expenses and are limited to what is necessary for administration and implementation of the Program to the extent the expenses meet all requirements under the CARES Act.

3.6 The NJRA shall be responsible for implementing the Program in accordance with all applicable State and federal laws and regulations. It shall be NJRA's responsibility to require that all of its grantees adhere to all applicable State and federal laws and regulations. The NJRA shall conduct all necessary monitoring for such compliance. To the extent that the U.S. Department of the Treasury audits the Grant Funds, the NJRA shall respond to such audit(s). The NJRA shall also be responsible for any recoupment of the Grant Funds that the U.S. Department of the Treasury may require.

3.7 The monitor for the NJRA for this MOU is the Leslie A. Anderson, President and CEO, who shall be responsible for overseeing the successful performance and completion of NJRA's obligations as provided in this MOU. The NJRA shall submit a report of project progress to the Treasurer on a schedule and dates to be provided by the NJRA. The NJRA shall be required to obtain any necessary information from recipients of grants under the Program to indicate compliance by recipients with the Program and federal requirements.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either the NJRA or the Treasurer upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below. The term of this MOU shall be for a period of two (2) years from the Effective Date unless extended by agreement of the Parties if all of the Grant Funds have not been committed within that period of time.

4.6 The Treasurer and the NJRA shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

Treasurer of the State of New Jersey

By: Elizabeth Maher Muoio

Date: _____

New Jersey Redevelopment Authority

By: Leslie A. Anderson
President and Chief Executive Officer

Date: _____

Attachment: Exhibit A – Small Business Lease- Emergency Assistance Grant Program Guidelines
NJRA Special Board Meeting – July 22, 2020

EXHIBIT A

| PROGRAM GUIDELINES Small Business Lease Emergency Assistance Grant Program- ("SBL-EAGP") | |
|---|---|
| <p>Total Funding Available: \$6,000,000</p> <p>Maximum Grant Per Applicant: \$10,000</p> <p>State Objective:</p> <ul style="list-style-type: none">• Assist eligible small businesses with rent payments to property owners in the 64 New Jersey Redevelopment Authority ("NJRA") eligible municipalities impacted by COVID-19• The need for these funds as per the COVID-19 pandemic is urgent <p>Distribution Requirements</p> <ul style="list-style-type: none">• Grant will be awarded on a first come first serve basis | |
| OVERVIEW | <p>The NJRA has developed a grant program with the intended use of assisting applicants in the 64 NJRA eligible municipalities adversely impacted with business operations due to the COVID-19 pandemic. Legislatively, the NJRA is designated to provide financial resources and technical assistance to the 64 designated municipalities pursuant to chapter 62, 1996, "The Redevelopment Act." The SBL-EAGP is designed to leverage amongst several programs created by the State of New Jersey to assist small businesses affected during a declared NJ state of emergency.</p> <p>This program will provide grants to:</p> <ul style="list-style-type: none">• Small Businesses leasing commercial space in mixed-use buildings• Small Businesses leasing space in commercial buildings• Store front businesses that lease their space <p>Eligible applicants will need to supply:</p> <ul style="list-style-type: none">• Current copy of executed lease outlining terms and conditions of said agreement• Certification from tenant applicant confirming closure date of operations due to COVID-19• Copy of current NJ tax clearance certificate• Applicant must answer debarment questions included in the application <p>The applicant must provide:</p> <ul style="list-style-type: none">• Verification from the landlord that the respective business is in good standing with monthly lease obligations prior to March 1, 2020• Landlord and tenant will need to sign a certification acknowledging amount of outstanding lease obligations, not to exceed \$10,000 (tenant will not be disqualified if monthly lease payments are current/up to date). |

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| OVERVIEW (cont'd) | <p>As part of the grant agreement, both the small business and landlord are required to sign a commitment that once NJRA releases funds and “payment” is received for the lease obligations, the landlord must certify the small business will not be displaced during this period of recovery (that is, for the time period for which the grant paid the lease obligations). Additionally, the landlord agrees not to seek any remedies against the small business for not paying the lease obligations that were paid by the grant. In the event the landlord displaces the small business after receipt of lease payment, the Landlord will be responsible for reimbursing the NJRA for the total amount of the grant awarded.</p> |
| Eligible Applicants | <p>Small Businesses located in NJRA eligible municipalities currently leasing commercial space in mixed-used buildings, Small Businesses leasing space in commercial buildings, and store front businesses that lease their space. All non-profit entities organized under all subsections of 501(c).</p> <p>To be eligible as a small business, the applicant’s leased premises must be less than 5,000 square feet of leasable space. Multiple locations leased by the same business shall be aggregated.</p> |
| Eligible Business Locations | <p>The business must be in one of the 64 NJRA eligible municipalities. All other locations do not qualify.</p> |
| Eligible Types of Businesses | <p>Most businesses are eligible to apply for this program but for: Gambling and gaming activities, the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude, or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sales; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes. Tattoo shops, vaping and marijuana dispensaries and any business involved in selling alcohol are also ineligible.</p> |
| Eligible Use of Grant Proceeds | <p>Applicants in need of assistance with monthly lease payments due to COVID 19. Applicant does not have to be delinquent on their lease payment(s) to apply for this program. As a small business owner, the applicant may have exhausted all their savings to avoid closure of the business. The NJRA will also assist applicants, delinquent as of March 1, 2020.</p> <p>Due to federal prohibitions against using federal funding for certain lobbying or political activities, the grant agreement will contain language prohibiting the use of use of the grant for any lobbying and political activities by non-profit entities organized under all subsection of 501(c).</p> <p>As required by the State Treasurer through the MOU, all funds must be expended by December 1, 2020.</p> |

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| Selection Criteria | <ul style="list-style-type: none"> • Applicants must be in good standing with the State of New Jersey per the state's annual registration process • Projects must meet the Corona Virus Relief Fund "CRF" eligibility guidelines* • Applicant will need to provide a current tax clearance certificate (if tax clearance is not presented at the time of application submission, the NJRA will allow the applicant 72 hours to obtain a tax clearance certificate) <p>*The CRF dated April 22, 2020 includes expenditures to allow the state to respond directly to the emergency by providing economic support to those suffering from employment or business operations due to Covid-19 related business closures. The expenditures of using fund payments from the CRF are considered "necessary" in addressing the current pandemic to avoid closure of small businesses located in the NJRA 64 eligible municipalities.</p> |
| Fees | Not applicable. This program does not entail any fees. |
| Grant Amounts | Not to exceed \$10,000 |
| Timing | Applications will be handled on a first come, first served basis. The volume of applications anticipated during this period is expected to reach numbers that may result in additional review of applications to determine eligibility. |

NEW JERSEY REDEVELOPMENT AUTHORITY
ELIGIBLE MUNICIPALITIES

1. Asbury Park City
2. Atlantic City
3. Bayonne City
4. Belleville Township
5. Bergenfield Borough
6. Bloomfield Township
7. Brick Township
8. Bridgeton City
9. Burlington City
10. Camden City
11. Carteret Borough
12. Clifton City
13. East Orange City
14. Elizabeth City
15. Garfield City
16. Glassboro Borough
17. Gloucester City
18. Gloucester Township
19. Hackensack City
20. Harrison Town
21. Hillside Township
22. Hoboken City
23. Irvington Township
24. Jersey City
25. Keansburg Borough
26. Kearny Town
27. Lakewood Township
28. Lindenwold Borough
29. Lodi Borough
30. Long Branch City
31. Millville City
32. Monroe Township (Gloucester)
33. Montclair Township
34. Mount Holly Township
35. Neptune City Borough
36. Neptune Township
37. New Brunswick City
38. Newark City
39. North Bergen Township
40. Nutley Township
41. Old Bridge Township
42. Orange City
43. Passaic City
44. Paterson City

45. Pemberton Township
46. Penns Grove Borough
47. Pennsauken Township
48. Perth Amboy City
49. Phillipsburg Town
50. Plainfield City
51. Pleasantville City
52. Rahway City
53. Roselle Borough
54. Salem City
55. Sussex Borough
56. Trenton City
57. Union City
58. Vineland City
59. Weehawken Township
60. West New York Town
61. Willingboro Township
62. Winslow Township
63. Woodbridge Township
64. Woodbury City