

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
Neighborhood Revitalization Tax Credit Program (NRTC)

OVERVIEW AND GUIDELINES FOR FY 2024 PROJECT APPLICATION

The following guidelines outline the available funding, eligibility requirements, application requirements, and evaluation criteria for FY 2024 NRTC Projects. This document also serves as a guide for completing a project application in SAGE. Each item listed under the “Application Content” section of this document corresponds directly to a required form in the SAGE application.

AVAILABLE FUNDING:

For SFY 2024 up to \$15,000,000 in state tax credits may be allocated; with a 100% tax credit, up to \$15,000,000 may be received from business entities. 5% of total revenue (up to \$750,000) will be used for program administration; the remainder (up to \$14,250,000) will be available for funding awards.

MAXIMUM AMOUNT OF AWARD:

Up to \$1,000,000 per successful application; one (1) application may be submitted per approved NRTC neighborhood.

ELIGIBLE APPLICANTS:

This application cycle is open to organizations with approved NRTC Neighborhood Plans.

An eligible neighborhood must also meet the following income targets:

- At least 50% of the households must be of low and moderate income (below 80% of area median income, as determined by US Department of Housing & Urban Development).
- At least 25% of the households must be of low income (50% of area median income or below, as determined by US Department of Housing & Urban Development).

ELIGIBLE ACTIVITIES:

NRTC funds must be used for “neighborhood preservation and revitalization activities,” consisting of housing and economic development activities and other neighborhood preservation and revitalization activities. These are further defined as follows:

1. Housing and Economic Development Activities: a minimum of 60% of the requested NRTC funds must be used for activities that shall include, without limitation, measures to foster the rehabilitation and construction of housing affordable to low and moderate income households within the neighborhood, including planning, design, rehabilitation, construction, and management of low and moderate income housing, housing counseling,

and related activities needed to effectuate the rehabilitation and construction of housing affordable to low and moderate income households; measures to increase business activity within the neighborhood, including the rehabilitation and construction of commercial facilities and the provision of assistance to small business entities, micro-enterprises and business incubators; measures to increase the income and labor force participation of neighborhood residents, including provision of education, training, child care and transportation assistance to enable low income neighborhood residents to obtain or retain employment; and measures to foster the creation of sustainable and economically integrated neighborhoods and communities.

2. **Other Neighborhood Revitalization Activities:** a maximum of 40% of the requested NRTC funds may be used for activities that may include, without limitation, improvements to infrastructure, streetscape, public open space, and transportation systems; provision of social and community services, health care, crime prevention, recreation activities, community and environmental health services; nutrition and healthy food; and community outreach and organizing activities.
3. An activity proposed by an applicant that is not among those listed in 1 and 2 above may be determined to be eligible after staff review.
4. Funds may be used for **administrative and personnel costs:** up to 20% (of requested funds) for program expenses that are directly related to delivering NRTC activities (e.g. salary and benefits for a project manager to implement an activity) and general administrative expenses (related to NRTC).

APPLICATION REVIEW AND FUNDING PROCESSES:

1. **Threshold Review:** a submitted application must meet all the criteria listed below, scored as “pass” or “fail”. One “fail” will disqualify the application from further review.
 - a. *Compliance with NRTC’s 60/40 rule – At least 60% of the requested funds must be intended for housing and/or economic development activities.*
 - b. *Compliance with Neighborhood Income Targets – At least 50% of households are of low and moderate income and at least 25% of households are of low income.*
2. **Evaluative Review:** Project applications that pass threshold review will be further evaluated, using the **Application Rating Criteria.**
3. **Qualified Projects Pool:** Applications that receive a minimum of 60.0 points based on the evaluative review will be recommended for inclusion in the Qualified Projects Pool (QPP). The applications listed in the QPP will be publicized to companies. Companies may elect to designate funds to one or more projects listed in the QPP.
 - a. Applications suggested for inclusion in the QPP will have received commitments from companies equal to at least 40% of requested funding to be recommended to the Commissioner for final funding approval.

APPLICATION CONTENT:

The project application will contain the following application forms. An applicant must complete and submit this application electronically via SAGE (the Department's online applications and grants system).

New for FY2024:

Several changes have been made to the NRTC Project Grant application for FY2024. Please carefully read and follow all instructions found in this document, in SAGE, and on downloaded forms. Much of the information previously entered directly into SAGE will be entered on forms downloaded from the Attachments page in SAGE. The **NRTC Project Information Workbook** is comprised of eight spreadsheets that must be completed according to the instructions found on each tab. Each spreadsheet corresponds to a specific SAGE application form. The **Project Description Template** will be used as described in section 1. b below.

1. Project Description

- a. **Part One:** Provide information about each proposed activity according to the instructions on the **Project Description** spreadsheet of the **NRTC Project Information Workbook**.
- b. **Part Two:** The **Project Description Template** is downloaded from and uploaded to the **Attachments** page after completion. This photo narrative description will be used to present the proposed project to potential investors through the Qualified Projects Pool (QPP). Complete the template according to the instructions found on the Project Description SAGE application form.

2. Organizational Information

Provide information about the organization, its board of directors, personnel, and financial matters; also, estimated staff hours, staff experience with implementing proposed activities, and employee turnover.

3. Community Development Experience

Provide information about the organization's track record of completing NRTC and non-NRTC-funded activities that **include physical development** in the neighborhood within the past 5 years, according to the instructions on the **Community Development Experience** spreadsheet of the **NRTC Project Information Workbook**.

4. Development Information

Provide information about each proposed development activity in the application. Include site control documentation, market demand, the status of land-use approvals, environmental factors (e.g. floodplain location, historic preservation), and development budget.

5. Non-Development Information

Provide information about each proposed activity in the application that does not include development. Include proposed staffing incorporating qualifications and experience, budget and funding sources, and supplemental information if the activity was included in the applicant's two most recent NRTC grants (accomplishments, impact, rationale for continuing).

6. Timeline

Provide a list of proposed activities with the time periods during which the activities will occur and be completed.

7. **Neighborhood Assets**

- a. **Part One:** Provide information about the community assets and regional assets within the neighborhood according to the instructions on the **Community Assets and Regional Assets** spreadsheets of the **NRTC Project Information Workbook**.
- b. **Part Two:** Provide documentation of **Municipal Revitalization Priority** for the neighborhood.

8. **Neighborhood Involvement**

Provide information about the **community development meetings** and **community improvement events** with active resident participation held in the past 12 months, according to the instructions found on the **Neighborhood Involvement** spreadsheet of the **NRTC Project Information Workbook**.

9. **Addressing Distress**

Provide information about proposed activities intended to reduce neighborhood poverty, reduce neighborhood unemployment, or increase neighborhood incomes and their neighborhood impact on the **Addressing Distress** spreadsheet of the **NRTC Project Information Workbook**.

10. **Attracting Investment**

Provide information about outside funding received within the past 5 years, according to the instructions found on the **Attracting Investment** spreadsheet of the **NRTC Project Information Workbook**.

11. **Other Sources of Funding**

- a. **Part One:** Provide information about all sources and amounts of funding *excluding NRTC funds*, committed to, or anticipated for, this project according to the instructions found on the **Other Sources of Funding** spreadsheet of the **NRTC Project Information Workbook**.
- b. **Part Two:** Provide copies of commitment letters for each funding source *in the order listed* in Part One, in a single upload to the **Attachments** page. This should include committed funding from private grants, private donors, lending institutions, and other State agencies such as NJRA, HMFA, and NJEDA.

12. **Attachments**

- a. **Neighborhood Maps – 2 required**
 - i. **Map #1:** showing the clearly marked location of each project activity
 - ii. **Map #2:** showing the neighborhood boundaries and legible street names
- b. **Copy of Funding Commitment Letters:** for each source listed on the **Other Sources of Funding** spreadsheet of the **NRTC Project Information Workbook**, provide commitment letters in a single upload, in the order listed.
- c. **NRTC Project Information Workbook (MS Excel):** completed according to the instructions found on each spreadsheet.
- d. **Project Description Template (MS Word):** for presentation to potential investors; photos, renderings, and/or graphics, and a narrative description of the project, (maximum 3 pages).

- e. **Insurance Certificate/Fidelity Bond:** coverage of at least \$100,000.
- f. **Additional Items:** miscellaneous documents if needed.

(Uploaded document file names may contain letters and numbers only, NO SPECIAL CHARACTERS.)

13. **Personnel**

Provide information about each staff member of the organization that would be involved in implementing one or more proposed activities, who would be paid with NRTC funding. Also provide information about the organization's management and administrative staff who would be involved, even if they would not be paid with NRTC funding (includes upload for resume(s)).

14. **Partner Information**

Provide information, if applicable, about any other organization that will partner to implement a proposed activity (includes upload for resume(s)).

15. **Consultants**

Provide information, if applicable, about each person or entity that the organization would hire to implement a proposed activity, who would be paid with NRTC funding (includes upload for resume(s)).

16. **Implementation Team Information**

Provide information about time commitments and experience with implementing proposed activities.

17. **Budget**

Each proposed activity will be entered as a program component, each of which will have a corresponding budget. The NRTC program components are: *housing; economic development; supportive services; and other*. A minimum of 60% of the NRTC funds requested must be intended for housing and/or economic development activities. If funds will be requested for administration/personnel costs they must be included in a separate component labeled "Administration/Personnel". The diagram in **Appendix A**, at the end of this document, outlines the necessary components and how they relate to your application in SAGE.

18. **Documents** to be uploaded to the "Certification Sheets" form in SAGE:

- a. **Certification Regarding Debarment and Suspension - NOT NEEDED**
- b. **Certification Regarding Lobbying - NOT NEEDED**
- c. *Resolution*
- d. **IRS Determination Letter – FIRST-TIME APPLICANTS ONLY**
- e. *Organizational Chart*
- f. **Application Cover Page – NOT NEEDED.**

(Uploaded document file names may contain letters and numbers only, NO SPECIAL CHARACTERS.)

APPLICATION RATING CRITERIA:

For threshold review, NRTC staff will determine which of the submitted applications cannot be further reviewed (using criteria previously listed). For evaluative review, NRTC staff will review and evaluate the applications based on a 100-point system in the following areas:

1. Non-Profit Capacity (35 points) – evaluation to occur as follows:
 - a. *Project track record* (16 points overall):
 - i. Completion of NRTC-funded activities within the past 5 years (7 points).
 - ii. Completion of similar activities (non-NRTC funded), within the past 5 years and in the neighborhood (2 points).
 - iii. Information regarding the applicant’s progress with its active NRTC grants, including expenditure of funds (7 points). (NOTE: input from applicant is not requested).
 - b. *Financial health* (8 points) – average annual operating balance over past 5 years; audit report findings; current year operating budget and addressing a deficit if applicable.
 - c. *Funds attracted from other sources* (4 points) – outside funding within the past 5 years, for NRTC-funded activities and similar, non-NRTC activities (not for administrative or general purposes).
 - d. *Staffing level* (4 points) – Hours devoted to proposed activities by applicant’s staff, its partners and consultants.
 - e. *Staff stability and experience* (3 points) – retention of applicant’s staff over past 5 years; experience of applicant staff, partners and consultants with proposed activities.
2. Neighborhood Plan; Feasibility of Activities (26 points):
 - a. Relation of the proposed activities to the objectives (outcomes) of the approved NRTC neighborhood plan (10 points).
 - b. Whether the proposed activities can be completed and operated/sustained using the identified resources, including NRTC funds, and within proposed timelines (16 points).
3. Neighborhood Assets (14 points) – a consideration of a neighborhood’s potential for future revitalization based on its assets, its housing values and municipal redevelopment activity:
 - a. *Community assets* (2 points) – In order to ensure maximum objectivity, each application will be evaluated relative to the average performance of all applicants. The point score is calculated by counting the assets listed by an applicant; adjusting the asset count for local population (using “assets per 10,000 persons”); adjusting transportation assets relative to county population density (to remove bias against neighborhoods in lower-population counties); recalculating the asset score based on its position

relative to the average score for all applicants; and converting the recalculated asset score to a 0-to-2-point scale.

- b. *Housing value trend* (1 point) – 15-year % change in neighborhood median home value (*NOTE: input from applicant is not requested*).
 - c. *Regional assets* (1 point) – Like community assets, each application will be evaluated relative to the average performance of all applicants. The score is calculated by counting the regional assets listed by an applicant; adjusting the assets count for the local population (using “assets per 10,000 persons”); recalculating the assets score based on its position relative to the average score for all applicants; and converting the recalculated assets score to a 0-to -1-point scale.
 - d. *Municipal revitalization priority* (2 points) – evidence that the municipality views the neighborhood as an area of focus (e.g., designation of “Area in Need of Redevelopment” or “Area in Need of Rehabilitation”).
 - e. *Effective community organization* (3 points) – a listing of fully completed projects involving physical development (from any funding source) executed by the applicant organization within the boundaries of the NRTC neighborhood over the past five years. Applicants must also report the number of years they have been active in that neighborhood. Applicants will be scored by the average number of successfully projects per year for the period that they have been active in the neighborhood. An applicant’s final score will be based on its position relative to the average score for all applicants.
 - f. *Community support and engagement* (3 points) – a listing of community development meetings and community improvement events (e.g. clean-ups and trash removal; house exterior beautifications; community garden development or maintenance) with active resident participation within the past
12 months. Applicants will be scored on the average number of community meetings and events with resident participation per 10,000 residents. An applicant’s final score will be based on its position relative to the average score for all applicants.
 - g. *Distress level* (2 points) - Evidence that the neighborhood is sufficiently distressed to require NRTC investment. Neighborhoods will be scored on a distress index that consists of median home value, median household income, unemployment rate, and labor force participation. The neighborhoods scoring in the top 10% of applicants will receive a score of 2. The neighborhood in the bottom 10% will receive a score of zero. Other neighborhood scores will be based on where they score relative to the top and bottom 10%. (*NOTE: input from applicant is not requested*).
4. Leveraging Investment for Proposed Project Activities (5 points) – funding from sources other than NRTC, both public and private, committed or realistically anticipated for the applicant’s proposed project; municipal resources to support proposed activities.

5. Readiness to Proceed (15 points) – how soon the proposed activities can commence if funding is approved.
6. Addressing Distress (5 points) – the measurable impact proposed activities will have on reducing neighborhood poverty, reducing neighborhood unemployment, and/or increasing neighborhood incomes.
7. Microenterprise (BONUS) – rewards an application with proposed development or expansion of a microenterprise (defined as a commercial enterprise that has 5 or fewer employees, one or more of whom owns the enterprise), as follows:
 - a. Any microenterprise (2 points);
 - b. A microenterprise with job training and workforce development programs targeted at neighborhood residents (1 additional point);
 - c. A microenterprise in the following key strategic sectors targeted in the State’s Economic Development Plan – clean energy, life sciences, offshore wind, advanced transportation logistics, non-retail food and beverage, advanced manufacturing, film and digital media, professional and financial services, and technology (1 additional point).
8. Additional Bonus and Penalty Points:
 - a. Application submitted with incomplete documentation (1 point Penalty per document)
 - b. Application submitted with NRTC staff assistance (5-point Penalty)

The overall scores from the reviewers will be combined to obtain an average score for each application. The applications with average scores of 60.0 or greater will be recommended for the Qualified Projects Pool.

TECHNICAL ASSISTANCE

There will be one opportunity:

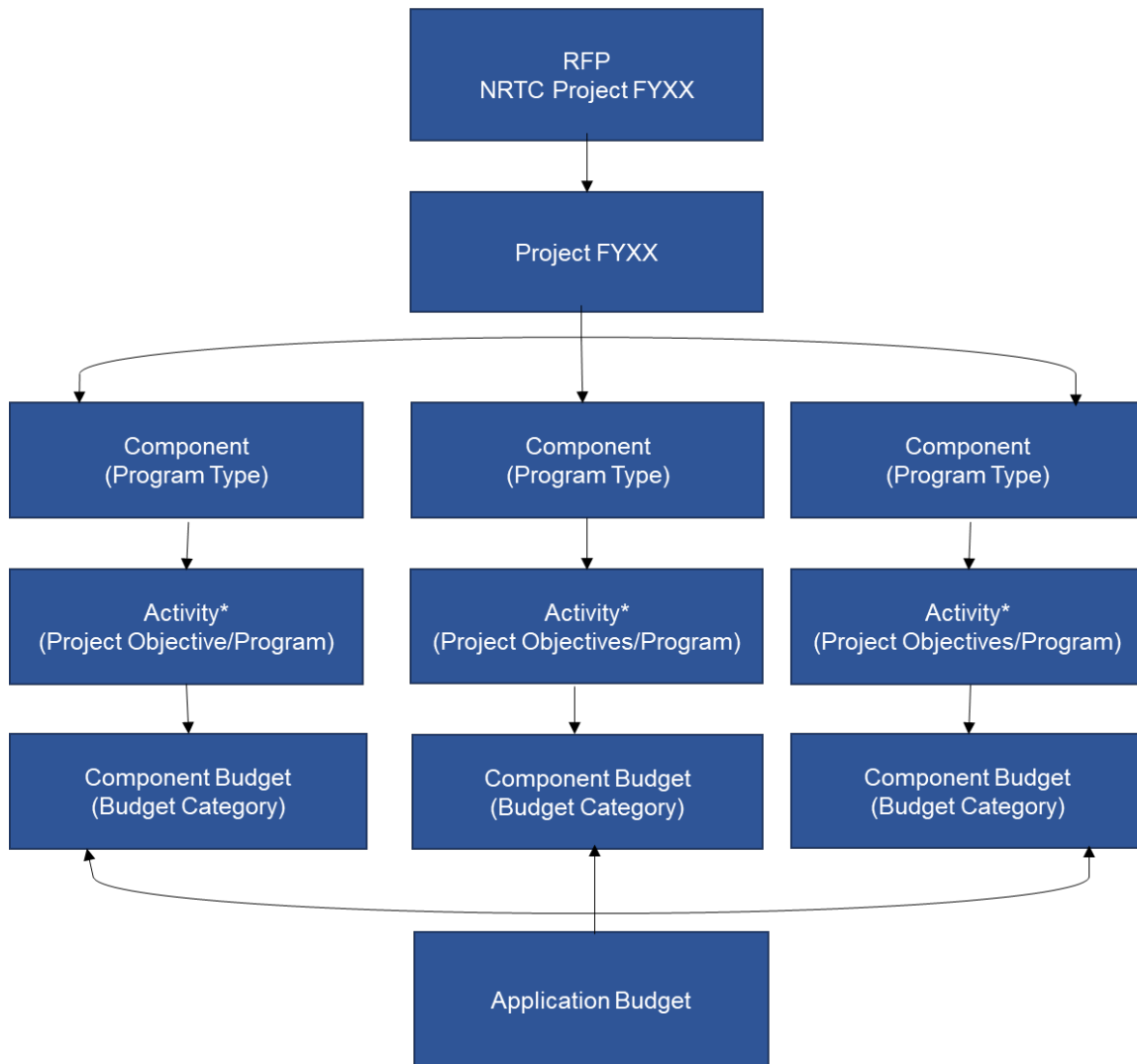
- Webinar on **Thursday, July 20, 2023, at 10:30 am**. This webinar will be recorded and subsequently posted to the NRTC webpage.

DEADLINE FOR SUBMISSION:

The deadline for submission is **Wednesday, August 30, 2023**, 12:00 noon.

(The last day an application may be *initiated* in SAGE is **Monday, August 28, 2023**).

Appendix A



* Short Description

Component (Program Type):
 Housing, Economic Development, Supportive Service, Other Neighborhood Revitalization

Activity* (Project Objective/Program):
 Small Business & Microenterprise Training, Housing Rehabilitation, Youth Development Programs, Creation of Public Green Space, etc.

IMPORTANT:

- *Uploaded document file names may contain letters and numbers only, no special characters.*
- *This Checklist is for use by the applicant only. DO NOT SUBMIT THIS FORM.*

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
NEIGHBORHOOD REVITALIZATION TAX CREDIT PROGRAM (NRTC) PROJECT GRANT APPLICATION
REQUIRED DOCUMENTS UPLOAD CHECKLIST**

Organizational Information:

- Certificate of Good Standing for agency, current year
- Board of Directors list, current year
- Organization budget, current year
- Minutes of board meeting at which the organization budget was approved
- Corrective action plan to address audit findings (if applicable)

Development Information:

- Site control documentation, for each proposed site (separate form for each site)
- Drawing/rendering of proposed building(s)
- Development (and operating) budget for the proposed building(s)

Neighborhood Assets:

- Evidence of municipal revitalization priority

Attachments:

- Neighborhood maps (2, as described)
- Funding commitments letters, for each source identified as "Other Sources of Funds"
- NRTC Project Information Workbook
- Project Description Template
- Insurance Certificate/Fidelity Bond

Partner Information:

- Resume(s) for partner staff to be involved with NRTC-funded activity (if applicable)

Schedule A: Personnel:

- Resume(s) of each agency staff to be involved with NRTC-funded activity & to be paid with NRTC funds; also, of management/administrative staff to be involved with NRTC-funded activity, even if not to be paid with NRTC funds

Schedule B: Consultants:

- Resume(s) of each consultant to be NRTC-funded (if applicable)

Certification Sheets:

- Resolution
- IRS Determination Letter (First-time applicants only)
- Organizational Chart

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