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NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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March 2, 2021 2 minute read

NJEDA ANNOUNCES RESIDENTIAL ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM TO RELAUNCH IN JUNE

TRENTON, N.J. (March 2, 2021) – The New Jersey Economic Development Authority (NJEDA) today announced plans to reopen the residential component of the Economic Redevelopment and Growth (ERG) Program utilizing $50 million in tax credits designated in the Economic Recovery Act of 2020. NJEDA will start accepting applications no earlier than June 1, 2021 to provide at least 90 days of preparation time for potential applicants. The ERG program, which was originally created to address project financing gaps in development projects, had previously stopped accepting new applications in June 2019.

The Economic Recovery Act was signed by Governor Phil Murphy on January 7, 2021 to address the ongoing economic impacts of the COVID-19 pandemic and build a stronger, fairer New Jersey economy.

The new phase of the ERG program will be administered based on pre-existing ERG regulations and statutes, as amended by the Economic Recovery Act, which added new prevailing wage and minimum wage requirements. NJEDA anticipates issuing a solicitation (or call for applications) document with further information about this process in early April. For additional information and detailed eligibility requirements, visit https://www.njeda.com/economicrecoveryact/.

“The extension of the residential portion of the ERG Program will support investment in projects that offer attractive housing options for families while revitalizing surrounding neighborhoods,” said NJEDA Chief Executive Officer Tim Sullivan. “The inclusion of $50 million for the ERG program by Governor Murphy and the Legislature will help advance projects that are ready to move forward now, while the new programs created by the Economic Recovery Act are taking shape.”

Under the Economic Recovery Act, residential ERG projects can receive tax credits of up to 30 percent of total eligible project costs. Projects in five cities — Atlantic City, Camden, Paterson, Passaic, and Trenton – can receive tax credits up to 40 percent of eligible project costs. ERG tax credits are not meant to be a substitute for conventional debt and equity financing, and applicants should generally have their primary debt financing in place before applying.

Under the Economic Recovery Act, the Aspire program will serve as a successor to the ERG program, offering a gap financing tool to support commercial, mixed use, and residential real estate development projects. For more information about Aspire and other programs created by the Economic Recovery Act, please visit https://www.njeda.com/economicrecoveryact/.

About the New Jersey Economic Development Authority

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth. The NJEDA is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

To learn more about NJEDA resources for businesses call NJEDA Customer Care at 609-858-6767 or visit https://www.njeda.com and follow @NewJerseyEDA on Facebook, Twitter, Instagram, and LinkedIn.

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