



Program Overview

The New Jersey Food Access Initiative (NJFAI) is an innovative financing program designed to increase the supply of affordable, fresh food in underserved areas across the state, while improving the diets and health outcomes of the state's residents and spurring economic development in low- and moderate-income communities. The NJFAI provides financing to supermarket operators and developers of supermarkets statewide with an emphasis on serving ten priority cities which include Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton and Vineland.

Financing Products

NJFAI provides affordable financing to fund costs associated with land acquisition, predevelopment, construction or renovation, leasehold improvement, equipment and permanent financing. Financing can be used for capital projects to build new supermarkets, expand existing facilities, and purchase and install new equipment.

Loans: Range in size from \$200,000 to \$4,500,000. See reverse for more information about borrower requirements and loan terms.

Predevelopment Loans (*Recoverable Grants*): NJFAI provides early-stage financing with with low and no cost loans, typically repaid by construction financing. Predevelopment loan guidelines are available on TRF's website.

Grants: Limited grants, which range in size from \$5,000 to \$125,000, are available to eligible loan applicants. Projects that are located in a very low income census tract (<50% AMI) may be considered for a standalone grant. Grant guidelines are available on TRF's website.

Eligible Applicants

An eligible applicant project must meet the following location and program requirements:

Location Eligibility

- Is located in a low- to moderate-income census tract in New Jersey;
- Is located in or projected to serve an underserved community¹.

Program Eligibility

- Provides a full selection of healthy, unprepared and unprocessed foods, particularly fruits and vegetables;
- Requires funding to move forward, to create impact, or to be competitive with similar projects in the region;
- Promotes neighborhood revitalization and community development;
- Adheres to sound land use principles.

Priority will be given to projects that adopt or expand healthy food marketing activities.

How to Apply

To find out if your project is eligible for funding through the New Jersey Food Access Initiative, download the Pre-Application form from www.trfund.com/resource/forms.html and return the form to supermarkets@trfund.com.

Program Highlights

- Affordable loans for new and existing facilities
- Available to for profit businesses, not for profit corporations, and food cooperatives.
- Technical assistance for capital structuring and project management
- Up to 7 year capital

How to Apply

Download an application from www.trfund.com, complete and email to supermarkets@trfund.com

Contact Information

The Reinvestment Fund
1700 Market Street, 19th Floor
Philadelphia, PA 19103

phone: 215.574.5800
email: supermarkets@trfund.com

Project Requirements

Customers	Supermarket operators and developers of supermarket spaces where the supermarket square footage exceeds 50% of the gross square feet of the shopping plaza.
Location	<ul style="list-style-type: none"> • Located in a low to moderate income census tract; and • Located in a Limited Supermarket Access¹ (LSA) area or the supermarket tenant is project to serve LSA residents.
Uses	Real estate predevelopment, acquisition, construction or renovation, leasehold improvements, equipment, energy efficient improvements, and permanent financing.
Amount	\$200,000 to \$4,500,000 or more <i>Determined by the cost of the project, the availability of collateral, the borrower's financial history and the borrower's ability to repay.</i>
Collateral	Mortgage or leasehold mortgage Security interest in personal property

Loan Criteria

TRF will underwrite and structure a loan by considering the strength of the supermarket, borrower and project, as evidenced by the following:

- Strong financial condition of supermarket, borrower and, if applicable, guarantor
- Management experience and depth
- Wholesaler reference and/or trade history
- Viable supermarket location as supported by market study or other market potential analysis
- Loan to value ratio \leq 80% based on satisfactory appraisal
- Loan to project cost \leq 80% for leasehold improvements
- Loan to book value \leq 80% for equipment
- Debt service coverage ratio $>$ 1.25x for five to seven year operating projections

Loan Terms

Predevelopment, acquisition or construction loans	Up to 12 months
Equipment loans	5 to 7 years; fully amortizing
Permanent loans	5 to 7 years; amortizations up to 25 years
Leasehold improvement loans	5 to 7 years; loan term not to exceed term of lease

Lender Fees & Other

Interest Rate ⁽²⁾	5.0 - 5.5% Fixed
Origination Fee	1% for construction; 1% for permanent
Repayment	Interest only during predevelopment and construction, with committed permanent take-out
Prepayment	Permanent loans may require balloon payment at maturity Penalty applies
Advances	Construction advances for work-in-place as verified by a TRF inspector, subject to 10% retainage
Transaction Costs	Borrower pays all of TRF's costs in closing the transaction, including, but not limited to, outside legal costs, recording fees, search fees, title insurance, appraisal fees, plan review, inspection costs, and environmental assessments

Sponsor Requirements

Guaranty/ Recourse	Full recourse to Sponsor and/or personal guaranty to owner of Sponsor Cross corporate guaranty if applicable
Equity Requirement	<ul style="list-style-type: none"> • Real Estate: 10% min • Other: 20% min • For Profit: 10% min • Nonprofit: cash, grants or contributed real estate

Note: These terms represent general guidelines. Exceptions may be considered on a case-by-case basis. All projects that fit the general mission of the NJ Food Access Initiative are encouraged to apply.

1- An LSA is an area within a community where residents are not adequately served by full service supermarkets. For a more detailed description of LSA methodology, follow this link: www.trfund.com/TRF-LSA-widget.html

2- NMTC leverage loans and non-conforming loans will be priced and structured for each project independently.