

NJEDA's Food Security Products to Alleviate Food Insecurity and Combat Food Deserts



About NJEDA

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**.

NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

HELPING TO BUILD A
STRONGER AND FAIRER
NEW JERSEY ECONOMY

Governor Phil Murphy has equipped NJEDA with more than \$300 million to strengthen food security in NJ

Over the past three years, NJEDA has significantly expanded its food security programs to build on Governor Murphy's commitment to a stronger, fairer New Jersey.



Sustain & Serve NJ

\$57.5M grant program for nonprofits to purchase meals from restaurants and distribute those meals at no cost in their community.



Food Security Planning Grant

\$1.5M grant program for local governments to plan for leveraging a distressed asset in a Food Desert Community (FDC) to improve food access and security.



Food Desert Relief Act

\$240M in tax credits, grants, loans, and technical assistance to increase food access and develop new approaches to alleviate food deserts.



Food Retail Innovation in Delivery Grant

\$2.5M grant program to assist New Jersey food retailers to purchase refrigerated lockers to expand access to grocery delivery within FDCs.



CSIT Food & Agriculture R&D Grant

\$75,000 grants for early-stage start-ups focused on developing new innovations and solutions that address food insecurity.

Food Desert Relief Act



THE FOOD DESERT RELIEF ACT

The Food Desert Relief Act is part of the **New Jersey Economic Recovery Act of 2020 (ERA)**, a package of tax incentive, financing, and grant programs Governor Murphy signed into law in January 2021 to address the ongoing economic impacts of the COVID-19 pandemic and build a stronger, fairer New Jersey economy.



Facilitate development, construction, and sustainable operations of new supermarkets and grocery stores



Strengthen existing community assets by equipping them with the necessary equipment and infrastructure to provide healthier food options

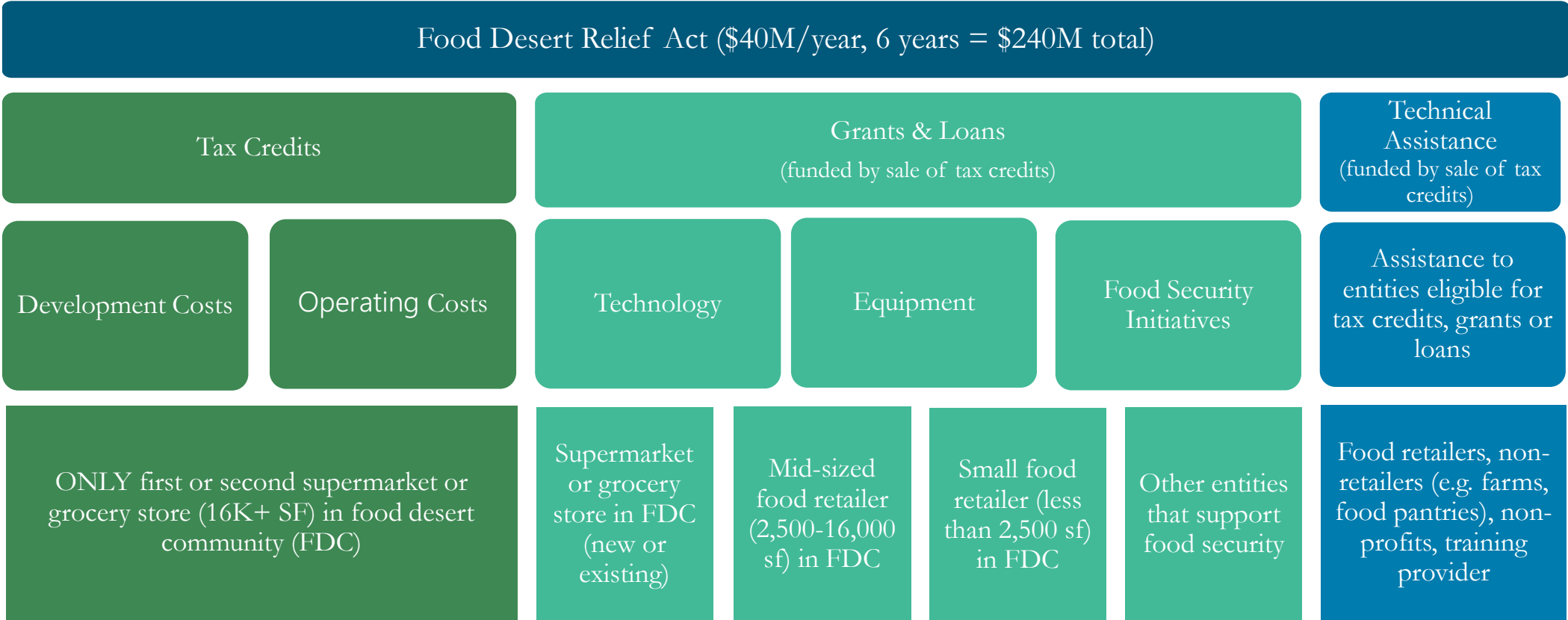


Help food retailers respond to the shift to e-commerce, including for the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)



Identify and foster innovative solutions to alleviate food insecurity

The Food Desert Relief Act creates new strategies for NJEDA to address food security



Learn more at <https://www.njeda.com/food-desert-relief-program>

Food Desert Community Designations

New Jersey's 50 Food Desert Communities

- The FDRA directed EDA to work with the Departments of Community Affairs and Agriculture to **designate up to 50 areas of the state as Food Desert Communities**
- Designations were informed by a combination of rigorous, **data-driven analysis** and **community input**
- More than **1.5 million NJ residents** live in a Food Desert Community (FDC)
- **All 21 counties** have at least one FDC
- FDC designations include 57 municipalities
 - In most cases, just *portions* of a municipality are included in FDC designation, not the whole municipality
- 6 municipalities (Camden, Jersey City, Lakewood, Newark, Paterson, Trenton) are subdivided due to the size of the population residing in an FDC
- Population size of each FDC ranges from 1,135 to 69,264



The interactive map of Food Desert Communities can be found at <https://www.njeda.gov/food-desert-relief-tax-credit-auction/>

What is a Food Desert Community

Based on literature reviews and community input, NJDCA performed a **factor analysis** including 40+ variables to identify the variables that together best signal the presence of a Food Desert Community.

Food Retail Environment	Demographics	Economic Factors	Health Factors	Community Factors
<ul style="list-style-type: none">• 2021 Limited Supermarket Area (NJDCA analysis)• 2021 Low Access Score (NJDCA analysis)• Food Swamp – unhealthy food access area (NJDCA analysis)• CDC Modified Retail Food Environment Index	<ul style="list-style-type: none">• Single mother head % of households• % non-Hispanic white• % African-American• % Hispanic• % of adults with a HS diploma	<ul style="list-style-type: none">• Unemployment rate (block group)• Poverty rate• Per capita income• % of households receiving public assistance• % of households receiving SNAP benefits• WIC participation rate	<ul style="list-style-type: none">• % of pop. that is obese (Health Dept. area)• % of adults rating health as poor or fair	<ul style="list-style-type: none">• % of households with internet access• % of housing non-seasonally vacant• % of households that are housing cost burdened• % of households with no vehicle• DCA Walkability Score• Municipal violent crime rate, 2016-18

Food Desert Community Designations (#1 - 25)

Rank	Food Desert Name	County	Composite Food Desert Factor Score	Food Desert Population (2020)
1	North, Central and South Camden/Woodlynne*	Camden	86.2	44,702
2	Atlantic City*/Ventnor	Atlantic	78.8	41,382
3	Newark South	Essex	74.2	42,713
4	Newark West	Essex	72.7	49,065
5	Camden East/Pennsauken	Camden	72.1	49,689
6	Trenton West	Mercer	71.8	27,151
7	Newark North and Central	Essex	70.6	50,855
8	Newark East	Essex	69.7	40,427
9	Salem City*	Salem	69.6	5,296
10	Passaic City	Passaic	68.4	39,336
11	Trenton East	Mercer	68.1	57,113
12	Bridgeton/Fairfield Twp/Lawrence Twp*	Cumberland	65.3	29,167
13	Paterson South	Passaic	64.5	35,825
14	New Brunswick City	Middlesex	64.1	49,408
15	Paterson North	Passaic	63.9	46,602
16	Irvington Township	Essex	61.2	31,393
17	Asbury Park City	Monmouth	60.8	14,547
18	Jersey City South	Hudson	60.5	68,636
19	East Orange City	Essex	59.9	65,254
20	Penns Grove/Carneys Point	Salem	59.9	13,474
21	Elizabeth City	Union	58.5	69,264
22	Orange/West Orange/Montclair	Essex	57.8	50,522
23	Jersey City Central	Hudson	57.6	58,929
24	Perth Amboy City	Middlesex	57.0	30,997
25	Lindenwold/Clementon*	Camden	56.8	19,469

Rank	Food Desert Name	County	Composite Food Desert Factor Score	Food Desert Population (2020)
26	Plainfield City	Union	56.4	37,829
27	Pleasantville/Absecon	Atlantic	56.0	9,874
28	Red Bank Borough	Monmouth	55.6	1,508
29	Lakewood North	Ocean	52.1	49,364
30	Jersey City North	Hudson	51.5	62,363
31	Woodbine Borough*	Cape May	51.2	2,128
32	Long Branch City	Monmouth	51.2	27,013
33	Millville/Commercial Twp*	Cumberland	49.9	25,634
34	Prospect Park/Haledon/Hawthorne	Passaic	49.4	11,846
35	Keansburg Borough*	Monmouth	49.1	9,755
36	Paulsboro Borough	Gloucester	48.8	2,282
37	Lakewood South	Ocean	48.5	49,831
38	North Bergen/West New York/Guttenberg	Hudson	48.4	48,711
39	Fairview Borough	Bergen	48.3	1,135
40	Egg Harbor City*	Atlantic	47.1	4,396
41	Burlington City	Burlington	46.1	6,101
42	Linden/Roselle	Union	45.7	36,659
43	Vineland City	Cumberland	45.2	13,273
44	Phillipsburg Town	Warren	44.4	13,823
45	Bayonne City	Hudson	42.7	28,718
46	Dover Town	Morris	42.5	10,478
47	Bound Brook Borough	Somerset	42.4	1,823
48	Union City	Hudson	34.9	23,926
49	High Bridge Borough	Hunterdon	26.5	1,221
50	Montague Township*	Sussex	25.1	3,792

Food Desert Community Designations (#26-50)

PRODUCT OVERVIEW



Food Retail Innovation in Delivery Grant (FRIDG)

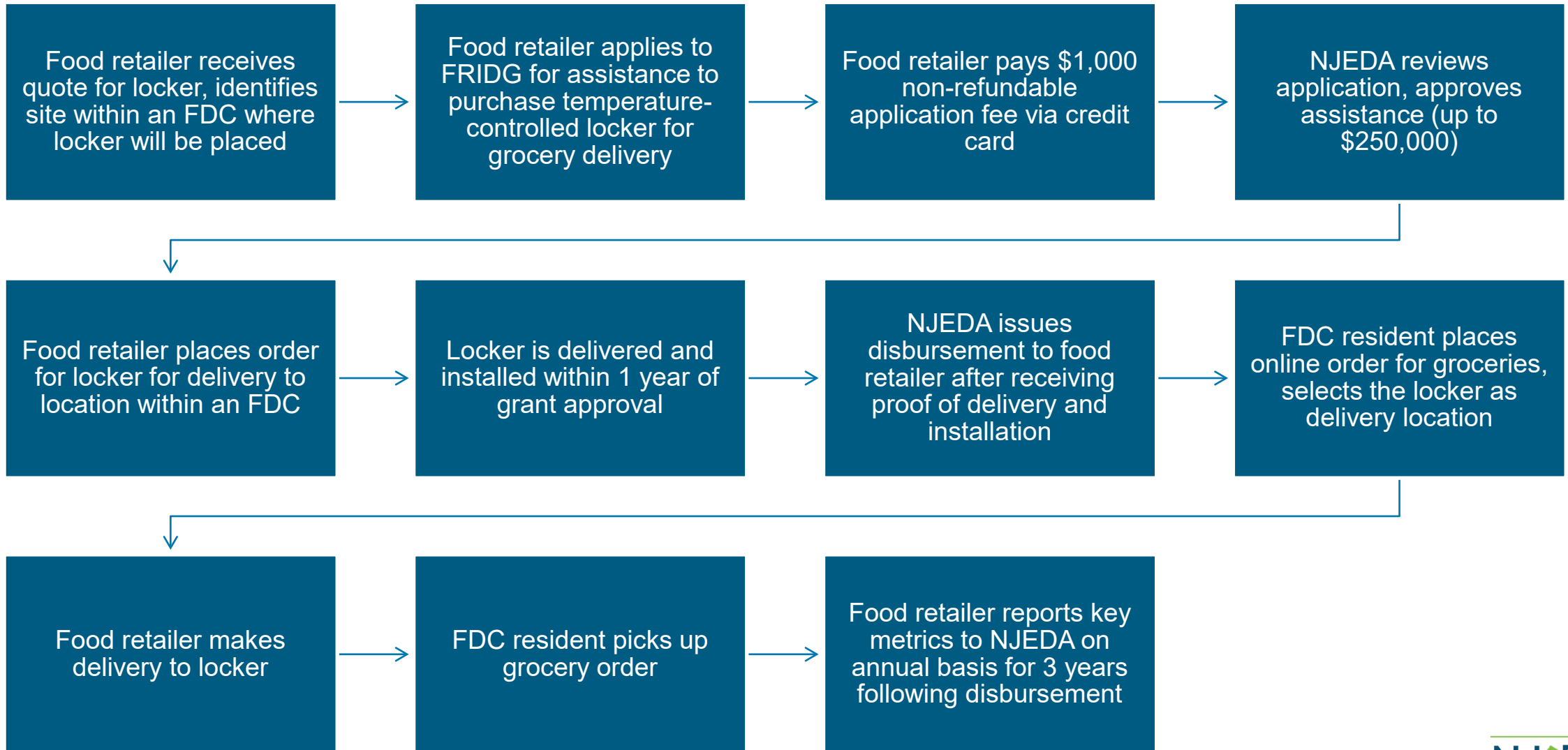


What is the Food Retail Innovation in Delivery Grant (FRIDG)?

- ▶ Subsidizing the cost of self-contained, temperature-controlled lockers for food retailers to place within designated Food Desert Communities (FDCs), up to \$250,000
- ▶ Intended to increase deliveries into FDCs where residents may not have easy access to a grocery store
- ▶ Targeted toward retailers that already are certified to accept SNAP benefits online to allow for low-income SNAP beneficiaries in FDCs to place online orders to the locker units
- ▶ Program will serve as a time-limited pilot to help inform future programming under the Food Desert Relief Act



How will FRIDG work?




Food Desert Relief Act (FDRA)



Food Desert Relief Tax Credit Program

 Provides tax credits to incentivize **development and operations of new supermarkets and grocery stores**

 Applications are accepted on a **rolling basis**

 Targeted to the designated **Food Desert Communities**

 Bolster **access to nutritious foods** for SNAP- and WIC-eligible New Jerseyans

 Encourage **longevity of supermarkets** after tax credits end, for a lasting impact on food security

 Program **is funded to accept applications through 2027**

First and Second New Supermarket

- ▶ Up to two qualifying grocery stores per FDC may be eligible for the tax credits
- ▶ Minimum of 16,000 square feet, with at least 80% occupied by food and related products
- ▶ Must have started construction or significant rehabilitation after January 7, 2021 (effective date of FDRA)
 - ▶ If rehabilitating, the rehab must include repair/replacement of two major systems, impact 75% of square footage, and cost must exceed 60% of the fair market value after rehab
- ▶ Designations of first and second are based on the date of approval for tax credits, not on the date construction or rehabilitation began
- ▶ Stores must continue to meet milestones set by the Authority in order to retain their designations

Eligibility Criteria

- ▶ First or second new supermarket located in a designated FDC
- ▶ Without the tax credit award, the project is not economically feasible
- ▶ With the tax credit award, the project will be **open for business for seven years** and economically and commercially **viable by the seventh year**, as evidenced by a **feasibility study**
- ▶ Costs are reasonable and in line with industry standards
- ▶ Project financing gap or initial operating cost shortfall exists
- ▶ Prevailing wage & affirmative action required on construction & equipment installation
- ▶ Except demolition and site remediation, construction has NOT commenced
- ▶ Applicant commits that the supermarket will accept SNAP and WIC benefits
- ▶ Applicant commits that the supermarket will maintain at least **10% of retail space dedicated to fresh and/or frozen produce**
- ▶ Applicant commits that the supermarket will hold at least one **community listening session annually**

Food Desert Relief Tax Credit Auction

NJ corporations and insurance companies can bid for a **tax discount of up to 15%**

Credits can be applied to
**Corporation Business Tax
& Insurance Premiums Tax**

Tax credits can first be
used for tax year 2023*
with **7-year carry-forward**

Minimum tax credit
request of **\$500,000**

Minimum price of **\$0.85**
per dollar

**No commitment or
compliance requirements**
after transaction closes



Proceeds from the auction will fund grant, loan, and technical assistance programs in designated **Food Desert Communities**, as specified by the Food Desert Relief Act

*Assuming bidders are calendar-year filers. Sale to be approved in Q4 2023.

Sustain & Serve NJ
(SSNJ)



SUSTAIN & SERVE NJ BY THE NUMBERS (PHASES 1+2)



Governor Murphy visits JRs in Long Branch, a participating restaurant of Fulfill (FoodBank of Monmouth and Ocean Counties) on February 4, 2022



Participating Restaurants
400+



Meals Distributed*
>5.3 Million



Support Provided
\$57.6 Million

Governor Murphy announces \$10 million to fund Phase 3 of Sustain & Serve NJ at Tavern on George in New Brunswick, a participating restaurant of Soup Kitchen 411, on November 5, 2021





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