

SENATE, No. 4767

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:
Senator BENJIE E. WIMBERLY
District 35 (Bergen and Passaic)

SYNOPSIS

Establishes pilot program in EDA to provide grants to eligible community investment projects receiving certain investment contributions; appropriates \$30 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the “Community Investment and Local
2 Ownership Pilot Program,” supplementing Title 34 of the
3 Revised Statutes, and making an appropriation.
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Authority" means the New Jersey Economic Development
11 Authority established pursuant to section 4 of P.L.1974, c.80
12 (C.34:1B-4).

13 "Business entity" means a corporation, limited liability company,
14 limited liability partnership, association, partnership, joint stock
15 company, joint venture, mutual fund trust, or other legal form of
16 organization, whether organized for-profit or not-for-profit.

17 "Community development financial institution" means the same
18 as that term is defined pursuant to section 4702 of the federal
19 “Community Development Banking and Financial Institutions Act
20 of 1994,” 12 U.S.C. s.4702.

21 "Community investment project" means a local economic
22 development project or local business investment within a pilot
23 municipality that the authority determines would benefit from
24 community financing and funding. A "community investment
25 project" may include, but not be limited to: improvements to small
26 businesses, minority-owned businesses, woman-owned businesses,
27 and veteran-owned businesses; affordable housing projects;
28 community revitalization projects; and other localized economic
29 development projects that provide individual donors with an equity
30 interest in the project.

31 "Fund" means the "Community Investment and Local Ownership
32 Fund" established pursuant to section 5 of P.L. , c. (C.)
33 (pending before the Legislature as this bill).

34 "Individual contribution" means an amount, which amount is at
35 least \$50 but not more than \$500, that an individual donor donates
36 for a community investment project.

37 "Individual donor" means a business entity or individual that
38 makes an individual contribution.

39 "MRI distress score" means a municipal revitalization index
40 distress score, as documented in the 2026 Municipal Revitalization
41 Index developed by the Department of Community Affairs.

42 "Pilot municipality" means a municipality selected to participate
43 in the pilot program established pursuant to section 2 of P.L. ,
44 c. (C.) (pending before the Legislature as this bill).

45 "Pilot program" or "program" means the "Community Investment
46 and Local Ownership Pilot Program" established pursuant to section
47 2 of P.L. , c. (C.) (pending before the Legislature as this
48 bill).

1 "Qualified financial intermediary" means a financial institution,
2 including, but not limited to, a community development financial
3 institution, credit union, or commercial bank, that is experienced in
4 financial management related to local business entities, community
5 and economic development initiatives, or charitable contributions.

6 "State matching contribution" means an amount of monies that
7 the State provides for a community investment project based on the
8 amount of an individual contribution made for the project.

9
10 2. a. The New Jersey Economic Development Authority shall
11 establish a three-year pilot program known as the "Community
12 Investment and Local Ownership Pilot Program" for the purpose of
13 providing State matching contributions valued at 100 percent of the
14 cumulative amount of individual contributions to community
15 investment projects in pilot municipalities.

16 b. (1) The authority, in consultation with the Director of the
17 Division of Local Government Services in the Department of
18 Community Affairs, shall select for participation in the pilot
19 program two municipalities in each of the northern, central, and
20 southern regions of the State, as follows:

21 (a) a northern regional pilot municipality shall be located in
22 Bergen, Essex, Hudson, Morris, Passaic, Sussex, or Union county;

23 (b) a central regional pilot municipality shall be located in
24 Hunterdon, Mercer, Middlesex, Monmouth, or Somerset county;
25 and

26 (c) a southern regional pilot municipality shall be located in
27 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
28 Salem, or Ocean county.

29 (2) A pilot municipality shall be selected based upon factors
30 determined by the authority, including, but not limited to: the
31 municipality's average and median household income, poverty rate,
32 unemployment rate, and population change rate; the municipality's
33 MRI distress score; the municipality's designation as a distressed
34 municipality, enhanced area, government-restricted municipality,
35 incentive area, qualified incentive tract, or SDA municipality for
36 the purposes of other economic development programs; or any other
37 factor indicating a municipality's social, economic, physical, or
38 fiscal condition.

39 (3) The authority, in consultation with the Director of the
40 Division of Local Government Services in the Department of
41 Community Affairs, shall establish a local advisory board within
42 each pilot municipality to provide accountability and oversight for
43 the operation of the program in each pilot municipality. The local
44 advisory board shall be comprised of individuals that are
45 geographically and financially proximate to a pilot municipality,
46 including, but not limited to: residents of the pilot municipality;
47 representatives of nonprofit organizations located within 20 miles
48 of a pilot municipality; elected or appointed officials representing

1 all or part of a pilot municipality; representatives of qualified
2 financial intermediaries; and developers and owners of community
3 investment projects.

4
5 3. a. As part of the program, the authority may facilitate the
6 coordination between community investment projects and qualified
7 financial intermediaries, which shall serve as the custodian of all
8 individual contributions made by individual donors for the project.
9 The authority shall only approve community investment projects
10 that are partnered with a qualified financial intermediary. A
11 qualified financial intermediary shall receive individual
12 contributions from individual donors and provide those funds to the
13 community investment projects. The authority shall provide a State
14 matching contribution to the qualified financial intermediary for
15 each individual contribution received for a community investment
16 project.

17 b. (1) The authority shall solicit applications from the
18 developers or owners of community investment projects within a
19 pilot municipality for participation in the program.

20 (2) To be eligible to participate in the program, the developers
21 or owners of a community investment project shall provide an
22 economic or equity interest, as approved by the authority, to each
23 individual donor that contributes monies to the project pursuant to
24 section 4 of P.L. , c. (C.) (pending before the Legislature
25 as this bill). The forms of economic or equity interest provided to
26 individual donors to the project may include, but shall not be
27 limited to: profit-sharing arrangements, such as cash payout plans;
28 stock options or other equity interests; dividends; and voting or
29 approval rights related to the governance or operations of the
30 business or project.

31 (3) The developer or owner of a community investment project
32 shall submit an application to the authority in a form and manner
33 prescribed by the authority. In addition to any other information
34 that the authority may deem appropriate, the application shall
35 include information regarding the nature of the economic
36 development project or local business investment, contact
37 information of the developer, the location of the community
38 investment project, contact information for the qualified financial
39 intermediary that is partnered with the project, and any proposed
40 economic or equity interest to be provided to individual donors.

41 (4) (a) The authority shall review and approve applications
42 submitted pursuant to this section on a rolling basis, subject to the
43 availability of funds for the program. The authority shall approve
44 community investment projects based on the viability of the project
45 or business investment and the estimated positive impact on the
46 community, including projects developed with community
47 investment and local ownership principles in mind. The authority
48 shall accept and consider any letters of support or project

1 endorsements submitted by a pilot municipality for a community
2 investment project. The authority shall also consider other evidence
3 of local support for the project, including, but not limited to, any
4 changes in local zoning regulations necessary to accommodate the
5 development of the project.

6 (b) Upon approval of any application pursuant to this section,
7 and upon the satisfaction of such additional requirements as the
8 authority deems appropriate, the authority shall notify the developer
9 of a community investment project and the qualified financial
10 intermediaries that shall be partnered with the project.

11
12 4. a. (1) An individual donor may contribute monies to a
13 qualified financial intermediary to support a community investment
14 project within a pilot municipality. The authority may establish a
15 limitation on the maximum cumulative total value of individual
16 contributions that may be contributed by an individual donor during
17 the three-year pilot program.

18 (2) Upon receiving a contribution of monies from an individual
19 donor for a community investment project, the qualified financial
20 intermediary shall provide written notice of the contribution,
21 including the name of the donor and the amounts contributed, to the
22 authority and to the developer or owner of the project. After
23 receiving such notice, the developer or owner of the community
24 investment project shall provide an economic or equity interest to
25 the individual donor, as such interest shall be approved and required
26 by the authority pursuant to section 3 of P.L. , c. (C.)
27 (pending before the Legislature as this bill). If an individual donor
28 receives an equity interest in the community investment project or
29 any business entity owning the project, the individual donor shall
30 retain the equity interest for at least three years, unless the authority
31 determines that a financial hardship or other extenuating
32 circumstances require the individual donor to sell, transfer, or
33 relinquish ownership of the equity interest.

34 b. For each individual contribution, the authority shall provide
35 a State matching contribution in the amount of 100 percent of the
36 individual contribution. Following notification from a qualified
37 financial intermediary that an individual contribution has been
38 received for a community investment project, the authority shall
39 provide the required State matching contribution to the qualified
40 financial intermediary from the monies allocated to the fund
41 established pursuant to section 5 of P.L. , c. (C.) (pending
42 before the Legislature as this bill).

43
44 5. a. There is established in the New Jersey Economic
45 Development Authority a special nonlapsing fund to be known as
46 the "Community Investment and Local Ownership Fund," which
47 shall serve as the repository of all monies used to support the
48 Community Investment and Local Ownership Pilot Program.

1 b. For the duration of the pilot program, the State shall
2 annually appropriate such amounts as necessary to the authority, for
3 deposit into the "Community Investment and Local Ownership
4 Fund," to support the provision of State matching contributions to
5 qualified financial intermediaries to support community investment
6 projects under the pilot program.

7
8 6. On or before the first day of the 40th month next following
9 the effective date of P.L. , c. (C.) (pending before the
10 Legislature as this bill), the authority shall submit a report to the
11 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
12 19.1), to the Legislature. The report shall provide information on
13 the success of the pilot program, challenges faced by the program,
14 and recommendations on whether or not to make the pilot program
15 permanent. As part of the report, the authority shall evaluate the
16 impact of the pilot program on the following economic
17 measurements within each pilot municipality: the rates of local
18 ownership of businesses; the rates of business survival; wealth
19 creation for local households; job creation; and the rates of
20 affordable housing, including an analysis of whether affordable
21 housing unit availability and access was impacted by the pilot
22 program.

23
24 7. Notwithstanding any provision of P.L.1968, c.410
25 (C.52:14B-1 et seq.) or any other law to the contrary, the authority
26 may adopt, immediately upon filing with the Office of
27 Administrative Law and no later than the 90th day after the
28 effective date of this act, such rules and regulations as the authority
29 deems necessary to implement the provisions of this act, which
30 regulations shall be effective for a period not to exceed 12 months.
31 The regulations shall thereafter be amended, adopted, or readopted
32 by the authority in accordance with the provisions of P.L.1968,
33 c.410 (C.52:14B-1 et seq.).

34
35 8. There is appropriated the sum of \$30,000,000 from the
36 General Fund to the New Jersey Economic Development Authority
37 for deposit into the "Community Investment and Local Ownership
38 Fund," established pursuant to section 5 of P.L. , c. (C.)
39 (pending before the Legislature as this bill).

40
41 9. This act shall take effect immediately.

42
43
44 STATEMENT

45
46 This bill establishes the "Community Investment and Local
47 Ownership Pilot Program" as a three-year pilot program within the
48 New Jersey Economic Development Authority (authority). The

1 purpose of the pilot program is to incentivize the investment in and
2 development of certain economic development projects or business
3 investments in pilot municipalities.

4 Under the bill, the authority would establish the pilot program
5 for the purpose of providing funds to community investment
6 projects in the form of individual contributions and State matching
7 contributions. A "community investment project" means a local
8 economic development project or local business investment within a
9 pilot municipality that the authority determines would benefit from
10 community financing and funding. A "community investment
11 project" may include, but not be limited to: improvements to small
12 businesses, minority-owned businesses, woman-owned businesses,
13 and veteran-owned businesses; affordable housing projects;
14 community revitalization projects; and other localized economic
15 development projects that provide individual donors with an equity
16 interest in the project.

17 Under the bill, the authority, in consultation with the Director of
18 the Division of Local Government Services in the Department of
19 Community Affairs, would select six pilot municipalities for
20 inclusion in the pilot program. The pilot municipalities would
21 consist of two municipalities each from the northern, central, and
22 southern regions of the State. The pilot municipalities would be
23 selected based upon various factors determined by the authority,
24 including, but not limited to: the municipality's average and
25 median household income, poverty rate, unemployment rate, and
26 population change rate; the municipality's MRI distress score; the
27 municipality's designation as a distressed municipality, enhanced
28 area, government-restricted municipality, incentive area, qualified
29 incentive tract, or SDA municipality for the purposes of other
30 economic development programs; or any other factor indicating a
31 municipality's social, economic, physical, or fiscal condition.

32 The authority would be required to establish a local advisory
33 board within each pilot municipality to provide accountability and
34 oversight of the operation of the program. Each local advisory
35 board would be comprised of individuals that are geographically
36 and financially proximate to a pilot municipality, including, but not
37 limited to: residents of the pilot municipality; representatives of
38 nonprofit organizations located within 20 miles of a pilot
39 municipality; elected or appointed officials representing all or part
40 of a pilot municipality; representatives of qualified financial
41 intermediaries; and developers and owners of community
42 investment projects.

43 The developer or owner of a community investment project
44 within an approved pilot municipality would be required to submit
45 an application to the authority in a form and manner that the
46 authority determines. A community investment project would be
47 required to partner with a qualified financial intermediary prior to
48 application approval and during the project's development, which

1 intermediary would serve as the custodian of all individual
2 contributions made for the project. A “qualified financial
3 intermediary” means a financial institution, including, but not
4 limited to, a community development financial institution, credit
5 union, or commercial bank, that is experienced in financial
6 management related to local business entities, community and
7 economic development initiatives, or charitable contributions. The
8 authority may facilitate this relationship, but the project and
9 qualified financial intermediary are required to be partnered prior to
10 project approval.

11 In order to be eligible to participate in the program, the
12 developers or owners of a community investment project would be
13 required to provide an economic or equity interest to each
14 individual donor that contributes monies to the project. The
15 economic or equity interest would need to be approved by the
16 authority, and the forms of the interest may include, but not be
17 limited to: profit-sharing arrangements, such as cash payout plans;
18 stock options or other equity interests; dividends; and voting or
19 approval rights related to the governance or operations of the
20 business or project.

21 The project application would also be required to include
22 information regarding the nature of the economic development
23 project or local business investment, contact information of the
24 applicant, the location of the project within a pilot municipality,
25 contact information for the qualified financial intermediaries
26 partnering with the project, and any proposed economic or equity
27 interest for donors. The authority would approve community
28 investment projects on a rolling basis, based on the viability of the
29 project and the estimated positive impact on the community,
30 including projects developed with community investment and local
31 ownership principles in mind. The authority would be required to
32 accept and consider any letters of support or project endorsements
33 submitted by a pilot municipality for a community investment
34 project. The authority would also be required to consider other
35 evidence of local support for the project, including, but not limited
36 to, any changes in local zoning regulations necessary to
37 accommodate the development of the project. Following project
38 approval, the authority would notify both the developer of the
39 community investment project and any qualified financial
40 intermediary partnering with the project.

41 The authority, following notification of an individual
42 contribution made to a project, would provide a State matching
43 contribution valued at 100 percent of the value of the individual
44 contributions made by individual donors to the project. Under the
45 bill, individual contributions can be made in an amount of between
46 \$50 and \$500.

47 Upon receiving a contribution of monies from an individual
48 donor for a community investment project, the qualified financial

1 intermediary would be required to provide written notice of the
2 contribution, including the name of the donor and the amounts
3 contributed, to the authority and to the developer or owner of the
4 project. After receiving such notice, the developer or owner of the
5 community investment project would be required to provide an
6 economic or equity interest to the individual donor. If an individual
7 donor receives an equity interest in the community investment
8 project or any business entity owning the project, the individual
9 donor would be required to retain the equity interest for at least
10 three years, unless the authority determines that a financial hardship
11 or other extenuating circumstances require the individual donor to
12 sell, transfer, or relinquish ownership of the equity interest.

13 The bill would also create a special nonlapsing fund within the
14 authority known as the “Community Investment and Local
15 Ownership Fund,” for the purpose of providing State matching
16 contributions to community investment projects. This bill would
17 appropriate \$30 million to the fund. Additionally, this bill would
18 require the authority to submit a report to the Governor and the
19 Legislature detailing the pilot program’s successes and challenges
20 faced and recommending whether the program should be made
21 permanent. At a minimum, the authority would be required to
22 evaluate the impact of the pilot program on the following economic
23 measurements within each pilot municipality: the rates of local
24 ownership of businesses; the rates of business survival; wealth
25 creation for local households; job creation; and the rates of
26 affordable housing, including an analysis of whether affordable
27 housing unit availability and access was impacted by the pilot
28 program.