

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: K2 Integrity
Quarter Ending: March 31, 2025
Expected Engagement End Date: December 31, 2026

A. General Info

1. Recovery Program Participant:

New Jersey Economic Development Authority ("NJEDA")

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

ARP SLFRF

3. State Funding Source (if applicable):

N/A

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

December 31, 2026

5. Accountability Officer:

Elizabeth George-Cheniara, Director Legal Compliance

6. Program(s) under Review/Subject to Engagement:

Atlantic City Revitalization Grant Program.

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

The Atlantic City Revitalization Grant Program is a pilot initiative aimed at addressing the negative economic impacts of the COVID-19 pandemic and contributing to the revitalization of Atlantic City. The program will be administered in multiple phases. Phase 1 of the program is funded with \$19.65 million from the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and is designed to support capital projects that enhance the city's neighborhoods and communities. The program provides grants to for-profit and non-profit entities

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responsible for overseeing real estate development projects in Atlantic City. Minimum grant award is \$1 million, and the maximum is \$10 million, covering up to 50% of the costs for eligible projects, which include new construction for commercial use, renovation or restoration of vacant buildings, and public infrastructure improvements.

The primary purpose of the Atlantic City Revitalization Grant Program is to proactively address the negative economic impacts of the pandemic by investing in projects that demonstrate an ability to cultivate the environment and neighborhoods necessary to attract and retain a local workforce, enable business creation and tourism, enhance downtown vitality, support clean and safe initiatives, address food insecurity issues, and buttress social impact supports for the community at large.

The rationale behind the program is to stimulate real estate projects that bolster economic development initiatives, resulting in stronger communities and revitalized neighborhoods. By providing financial support to municipalities disproportionately impacted by the COVID-19 pandemic, the program aims to promote economic growth and community wealth building in Atlantic City. The program also seeks to address persistent economic challenges such as high unemployment rates, limited access to essential amenities, and food insecurity.

An additional \$1 million has been appropriated as part of the Fiscal Year 2025 SLFRF process for the Atlantic City Initiatives and a withdrawal of an awardee and the reallocation of \$682,687, increased funding available for the program to ~\$21 million.

Separately, Phase 2 of the program is reopening the Atlantic City Revitalization Grant Program with a minimum of \$6M in funding available for capital real estate development projects aimed at revitalizing Atlantic City post-COVID-19 by providing support up to 50% of the costs for capital projects located within Atlantic City with a minimum award of \$250,000 and the maximum award of \$2.5 million. Applications will be accepted starting February 7, 2025, until all funds are exhausted. Phase 2 is not under monitorship at this time.

8. Amount Allocated to Program(s) under Review:

\$19,650,000 – Phase 1

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An additional \$1 million has been appropriated as part FY25. A withdrawal of an awardee lead to the reallocation of \$682,687, increasing the funding amount to \$21,332,687.

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

\$0 as of March 2025

10. Amount Provided to Other State or Local Entities:

N/A

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

The Atlantic City Revitalization Grant Program is currently in the application review phase. A Memorandum of Understanding (MOU) was executed between the New Jersey Department of Community Affairs (NJDCA) and NJEDA on February 7, 2024, outlining the terms and conditions for the disbursement of fund. Applications for the program are being accepted on a rolling basis, with grants awarded on a "first-come, first-served" basis as completed applications are submitted. The program is expected to continue accepting applications until all funds are awarded, with a deadline for project completion set for December 31, 2026.

12. Completion Status of Integrity Monitor Engagement:

On-going.

B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

- a) IM Response

N/A.

- b) Recovery Program Participant Comments

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N/A.

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

The Monitor attended a kick off meeting on March 10, 2025 hosted by NJEDA staff.

The Monitor reviewed the 1) *MOU between the New Jersey Department of Community Affairs and NJEDA* 2) *Board Memo and Program Specifications dated December 14, 2023* 3) *New Jersey Economic Development Authority Reopening of Atlantic City Revitalization Grant Program (Pilot) Notice of Funding Availability, Amended February 4, 2025.*

NJEDA staff provided the monitor with updated organizational charts as well as a change log detailing organizational updates and the corresponding impact on roles and responsibilities, clearly identifying separations, additions, and updates.

In a separate but related task order, the Monitor met with NJEDA staff to review and discuss a program-wide risk assessment, which provides insights into the organization. NJEDA staff provided the monitor with a number of program related policies, procedures, and process documents, including supplemental materials such as samples and templates. The Monitor notes that the NJEDA staff updated key policies within the last year, as well as underwent organizational changes. The Monitor reviewed the updated organizational chart, policies and procedures, as well as documentation related to applicant evaluation and program funding allocation processes. Additionally, the Monitor met with NJEDA staff to discuss the implemented risk mitigation measures concerning program administration, applicant selection, funding allocations, and evaluation criteria to ensure fairness and compliance with regulatory guidelines. This discussion, coupled with the Monitor's review of reporting documentation, indicates that program-wide progress reporting has been thoughtfully considered and that programs are generally well-monitored.

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b) Recovery Program Participant Comments

N/A.

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

NJEDA provided the AC Revitalization Grant Tracker with detailed grantee award approvals, including withdrawn awards. The Monitor noted Phase 1 awards total ~\$9M.

b) Recovery Program Participant Comments

As of the date of this report, NJEDA has provided access to all product records for all applicants who have applied for Phase 1 of this program as saved and maintained in its records management system (CRM), as

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well as submitted documentation reflecting this data. No payments or disbursements have been made yet.

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

None.

b) Recovery Program Participant Comments

N/A.

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

None.

b) Recovery Program Participant Comments

N/A.

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

N/A.

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b) Recovery Program Participant Comments

N/A.

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

Bradley Sussman	0.00 hours, no expenses
Tejah Duckworth	0.50 hours, no expenses
Michael Bernstein	0.00 hours, no expenses
Yomi Togunde	8.50 hours, no expenses
Bruce Archer	0.00 hours, no expenses

b) Recovery Program Participant Comments

N/A.

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

None.

b) Recovery Program Participant Comments

None.

Name of Integrity Monitor:	K2 Integrity
Name of Report Preparer:	Oluwayomi "Yomi" Togunde Pierce
Signature:	<i>Oluwayomi Togunde</i>
Date:	03/31/2025