



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
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PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

GRANT AGREEMENT

P.L. 2021, CHAPTER 182 LEAD GRANT ASSISTANCE PROGRAM

STATE OF NEW JERSEY

DEPARTMENT OF COMMUNITY AFFAIRS

This grant agreement is entered into between the New Jersey Department of Community Affairs (hereafter referred to as "DCA") and Township of West Orange (hereafter referred to as "Grantee"). DCA and Township of West Orange may be referred to individually as "Party" and jointly as "Parties."

Grant Number 0722

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WHEREAS, effective July 22, 2022, the Legislature enacted P.L. 2021, c. 182, “An Act concerning certain lead-based paint hazard, and residential rental property, and establishing lead-based paint hazard programs, supplementing P.L. 2003, c. 311 (C. 52:27D-437.1 et al.) amending various parts of the statutory law, and making an appropriation;” and

WHEREAS, pursuant to N.J.S.A. 52:27D-437.16(b)(1), a municipality that maintains a permanent local agency for the purpose of conducting inspections and enforcing laws, ordinances, and regulations concerning buildings and structures, is required to inspect for lead-based paint hazards certain specified single-family, two-family, and multiple rental dwellings, at the time periods set forth in the statute; and

WHEREAS, pursuant to N.J.S.A. 52:27D-437.16(b)(2) a municipality that does not maintain such a permanent local agency must hire a lead evaluation contractor, certified to provide lead paint inspection services by DCA, or enter a shared services agreement as permitted by law, for the purpose of conducting the inspections for lead-based paint hazards; and

WHEREAS, the inspection may consist of a visual inspection, or in the alternative through dust wipe sampling, depending upon the blood lead level of children six years of age or younger within the municipality; and

WHEREAS, the State of New Jersey, pursuant to Section 9 of P.L. 2021, c. 182, has, “appropriated from the General Fund to [DCA] the sum of \$3,900,000 to effectuate the purposes of P.L. 2021, c. 182 (C. 52:27D-437.16).” Further, pursuant to the FY 2023 Appropriations Act (P.L. 2022, Chapter 49), DCA received a grant-in-aid amount of \$3,900,000 for P.L. 2021, c. 182, for a total of \$7,800,000 in funding to effectuate the purpose of the Act; and

WHEREAS, DCA has allocated \$7,000,000 of this appropriation to the development the Lead Grant Assistance Program (“LGAP”) for the issuance of grant funds to municipalities for the purpose of assisting in municipal compliance with P.L. 2021, c. 182.

WHEREAS, DCA has determined that Grantee is eligible to receive [\$ 45,400] from the LGAP.

NOW, THEREFORE, pursuant to the terms of this grant agreement, DCA hereby grants [\$\$\$\$] to the Grantee to be used for the purposes described herein.

GENERAL

I. Grant Agreement Data

Grantee Information

1. Grantee’s Name:

Township of West Orange

2. Grantee Address:

66 Main Street, West Orange, New Jersey, 07052

3. Financial Officer’s Name and Title:

John Gross, Chief of Staff/Chief Financial Officer/Comptroller

Grant Agency Information

1. Granting Agency Name:

New Jersey Department of Community Affairs

Division of Local Government Services

2. Granting Agency Address

101 South Broad Street

Trenton NJ 08625 -803

3. Grant Officer Name, Email Address and Phone Number

Tiziana, Johnston, tiziana.johnston@dca.nj.gov, (609) 913- 4407

Grant Amount

Total amount of grant: \$45,400

State Account Number: 23-100-022-8020-304

I. Compliance with Existing Laws

- A. The Grantee, in order to permit DCA to award this grant, agrees to comply with all Federal, State and municipal laws, rules, and regulations generally applicable to the activities in which the Grantee is engaged in the performance of this grant.
- B. These laws and regulations include, but are not limited to the following:
 - 1. Federal Office of Management and Budget (OMB) documents:
<http://www.whitehouse.gov/omb/circulars/>
 - 2. New Jersey Department of the Treasury, Office of Management and Budget documents:
 - i. Circular Letter 15-18-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid:
<http://www.state.nj.us/infobank/circular/cir0404b.htm>
 - ii. State Grant Compliance Supplement:
<http://www.state.nj.us/treasury/omb/publications/grant/index.shtml>
 - 3. State Affirmative Action Legal Citations: The Grantee agrees to require its contractors to comply with the requirements of N.J.A.C. 17:27, applicable provisions of N.J.S.A 10:5, et. al., and P.L. 1975, c.127 and all implementing regulations.
- C. Failure to comply with the laws, rules and regulations shall be grounds for termination of this grant.

II. Bonding and Insurance

The Grantee must maintain in force for the term of this grant agreement all levels of minimum liability coverage required by law. The Grantee must provide proof of such coverage to DCA upon request.

III. Indemnification

The Grantee shall be solely responsible for and shall keep, save, and hold the State of New Jersey harmless from all claims, loss, liability, expense, or damage resulting from all mental or physical injuries or disabilities, including death, to its employees or recipients of the Grantee's services or to any other persons, or from any damage to any property sustained in connection with the delivery of the Grantee's services that results from any acts or omissions, including negligence or malpractice, of any of its officers, directors, employees, agents, servants or independent contractors, or from the Grantee's failure to provide for the safety and protection of its employees, whether or not due to negligence, fault, or default of the Grantee. The Grantee's responsibility shall also include all legal fees and costs that may arise from these actions. The Grantee's liability under this agreement shall continue after the termination of this agreement with respect to any liability, loss, expense or damage resulting from acts occurring prior to termination.

IV. Assignability

The Grantee shall not subcontract the administration of this grant, nor shall any interest be assigned or transferred except as may be provided for in this grant agreement or with the express written approval of DCA. This does not prohibit a Grantee from using grant funds to pay for a lead evaluation contractor or enter into a shared services agreement, if permitted to do so under P.L. 2021, c. 182.

V. Availability of Funds

The Grantee shall recognize and agree that the funding under this grant agreement is expressly dependent upon the availability to DCA of funds appropriated by the State Legislature from State and/or Federal revenue or such other funding sources as may be applicable. A failure of DCA to make any payment under this grant agreement or to observe and perform any condition on its part to be performed under this grant agreement as a result of the failure of the Legislature to appropriate shall not in any manner constitute a breach of this grant agreement by DCA or an event of default under this grant agreement and DCA shall not be held liable for any breach of this grant agreement because of the absence of available funding appropriations. In addition, future funding shall not be anticipated from DCA beyond the duration of the award period set forth in this grant agreement and in no event shall the this grant agreement be construed as a commitment by DCA to expend funds beyond the termination date set in this grant agreement.

VI. Special Grant Conditions For "High Risk" Grantees

A. If applicable, a Grantee may be considered "high risk" if DCA determines that a Grantee:

1. Has a history of unsatisfactory performance.
2. Is not financially stable.
3. Has a financial management system which does not meet the standards set forth in Section VIII.
4. Has not conformed to terms and conditions of previous awards.

5. Is otherwise not responsible; and the DCA determines that an award will be made; special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award.
- B. Special conditions or restrictions may include:
1. Payment on a reimbursement basis.
 2. Withholding authority to proceed to the next phase until receipt or evidence of acceptable performance within a given funding period.
 3. Requiring additional, more detailed financial reports.
 4. Additional project monitoring.
 5. Requiring the Grantee to obtain technical or management assistance.
 6. Establishing additional prior approvals.
- C. If DCA decides to impose such conditions, DCA will notify the Grantee as soon as possible, in writing, of:
1. The nature of the special conditions/restrictions.
 2. The reason(s) for imposing the special conditions.
 3. The corrective actions that must be taken before the special conditions will be removed by DCA and the time allowed for completing the corrective actions.
 4. The method of requesting reconsideration of the conditions/restrictions imposed.

VII. Financial Management System

- A. The Grantee shall be responsible for maintaining an adequate financial management system, as required under N.J.A.C. 5:30, and will immediately notify DCA when the Grantee cannot comply with the requirements established in this Section of the grant agreement.
- B. If applicable, the Grantee's financial management system shall provide for:
1. **Financial Reporting:** Accurate, current, and complete disclosure of the financial results of each grant in conformity with generally accepted principles of accounting, and reporting in a format that is in accordance with the financial reporting requirements of the grant.
 2. **Accounting Records:** Records that adequately identify the source and application of funds for DCA supported activities. These records must contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income.
 3. **Internal Control:** Effective internal and accounting controls over all funds, property and other assets. The Grantee shall adequately safeguard all such assets and assure that they are used solely for authorized purposes.
 4. **Budget Control:** Comparison of actual expenditures or outlays with budgeted amounts for each grant. Also, the relationship of the financial information with performance or productivity data, including the development of unit cost information required by DCA.

5. **Allowable Cost:** Procedures for determining reasonableness, allowability, and allocability of costs generally consistent with the provisions of Federal and State requirements.
 6. **Source Documentation:** Accounting records that are supported by source documentation.
 7. **Cash Management:** Procedures to minimize the time elapsing between the advance of funds from DCA and the disbursement by the Grantee, whenever funds are advanced by the DCA.
- C. DCA may review the adequacy of the financial management system of any applicant for financial assistance as part of a pre-award review or at any time subsequent to the award. If DCA determines that the Grantee's accounting system does not meet the standards described in paragraph B above, additional information to monitor the grant may be required by DCA upon written notice to the Grantee, until such time as the system meets with DCA approval.

VIII. Method of Payment

A one-time payment of \$ 45,400, will be made to the Grantee upon execution of this grant agreement.

IX. Allowable Costs

A. Limitation on Use of Funds

Grant funds must be used only for the implementation of P.L. 2021, c. 182. **Such costs may include the following:**

1. Hiring and training of municipal personnel who will perform inspections for lead-based paint hazards in rental units subject to Chapter 182 (including Lead Inspector/Risk Assessor training costs).
 - a. If permitted under P.L. 2021, c. 182, payment of an appropriate lead evaluation contractor or payment to another municipality in an appropriate shared service agreement.
2. Personnel costs attributable to lead-based paint hazard inspections by existing employees.
3. Materials and supplies required for carrying out such inspections, such as for dust wipe sampling.
4. Communications materials and mailings to known and potential property owners subject to inspection, including those intended to identify owners of single and two-family rental units.

Non-permissible uses of the funding include but are not limited to:

1. Human Resource services for the hiring of lead inspectors.
2. Municipal building operating costs.
3. Municipal finance department staff costs for required reporting activities.
4. Any related professional services such as the hiring of a marketing contractor, consultant or legal services associated with compliance under the Act.

B. Applicable Cost Principles

If applicable, for each type of organization, there is a set of Federal principals for determining allowable costs. Allowable costs will be determined in accordance with applicable Federal cost principles specific to the organization incurring the costs (e.g. Federal OMB Circulars A-87, A-122, A-21, etc.) and State requirements.

X. Period of Availability of Funds

The grantee must expend the funds and provide reporting pursuant to Section XVIII of this grant agreement no later than January 15, 2024.

XI. Matching and Cost Sharing

If applicable, the Grantee shall be required to account to the satisfaction of the DCA for matching and cost sharing requirements of the grant in accordance with Federal and State requirements.

XII. Program

A. If applicable, program income shall be defined as gross income earned by the Grantee from grant-supported activities. Such earnings include, but will not be limited to, income from service fees, sale of commodities, usage or rental fees, and royalties on patents and copyrights.

1. All program income earned during grant period shall be retained by the Grantee.

XIII. Audit Requirements

This grant, if it meets or exceeds the threshold of \$750,000.00 in Department of the Treasury Circular Letter 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid is covered by the audit requirements of the Department of the Treasury Circular Letter 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

XIV. Revision and Modification

A. Deviations from the allowable costs provided in Section IX shall not be permitted at anytime, nor shall this grant agreement be modified or amended without the express authorization of DCA.

XV. Property Management Standards

Property acquired in whole or in part with Federal or DCA funds or whose cost was charged to a project supported by Federal or DCA funds shall be utilized and disposed of in a manner generally consistent with State and Federal requirements.

XVI. Procurement Standards

Procurement of supplies, equipment, and other services with funds provided by this grant shall be accomplished in a manner generally consistent with Federal and State requirements. Adherence to the standards contained in the applicable Federal and State laws and regulations does not relieve the Grantee of the contractual responsibilities arising under its procurements. The Grantee is the responsible authority, without recourse to DCA, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurement entered in support of a grant.

XVII. Monitoring of Program Performance

- A. If applicable, the Grantee must assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity to monitor performance under grant supported activities to assure time schedules and objectives are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved as applicable.
- B. The Grantee shall inform DCA of the following types of conditions which affect program objectives and performance as soon as they become known:
 - 1. Problems, delays, or adverse conditions which will materially impair the ability to attain program objectives, prevent meeting time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any DCA assistance required to resolve the situation.
- C. DCA may, at its discretion, make site visits to:
 - 1. Review program accomplishments and management control systems.
 - 2. Provide such technical assistance as may be required.
 - 3. Perform fiscal reviews to ensure grant funds are being properly expended in a timely manner.

XVIII. Financial and Performance Reporting

- A. The grant budget as used in this Section means the financial plan to carry out the purpose of the grant which is to assist municipalities by helping offset the costs of compliance with the obligations imposed on them by P.L. 2021, c. 182.
- B. The Grantee is required to submit a final expenditure report at the conclusion of the grant period. The expenditure report file is to include expense supporting documentation that includes: copies of employee cumulative payment registers, copies of PO's, vendor invoices and cancelled checks front & back for period of 1/1/2023 through 12/31/2023 by 1/15/2024.
- C. The grantee is required to submit a final progress report detailing the number of household inspections and results undertaken under this grant for the period of 1/1/2023 through 12/31/2023 by 1/15/2024.
- D. Extensions to reporting due dates may be granted upon written request to the Department of Community Affairs (DCA), Division of Local Government Services (DLGS).

- E. If reports are not submitted as required, the Department may, at its discretion, rescind the grant resulting in the grantee's requirement to reimburse the Department for grant funds awarded. The State of New Jersey may, at its discretion, take such action to withhold payments to the Grantees on any grant with other State agencies until the required reports have been submitted.

XIX. Access to Records

- A. The Grantee in accepting this grant agrees to make available to DCA pertinent accounting records, books, documents and papers as may be necessary to monitor and audit Grantee's operations.
- B. All visitations, inspections and audits, including visits and requests for documentation in discharge of DCA's responsibilities, shall as a general rule provide for prior notice when reasonable and practical to do so. However, DCA retains the right to make unannounced visitations, inspections, and audits as deemed necessary.
- C. DCA reserves the right to have access to records of any Subgrantees and requires the Grantee to provide for DCA access to such records in any grant with the Subgrantee.
- D. DCA reserves the right to have access to all work papers produced in connection with audits made by the Grantee or independent certified public accountants, registered municipal accountants or licensed public accountants hired by the Grantee to perform such audits.

XX. Record Retention

- A. Except as otherwise provided, financial and programmatic records, supporting documents, statistical records and all other records pertinent to the grant shall be retained for a period of seven years, unless directed to extend the retention by DCA.
 - 1. If any litigation, claim, negotiation, action or audit involving the records is started before the expiration of the seven year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular seven year period, whichever is later unless otherwise directed by DCA.
 - 2. Records for nonexpendable property acquired with DCA funds shall be retained for seven years after its final disposition, unless otherwise provided or directed by DCA.
- B. For Federal and State purposes (unless otherwise provided):
 - 1. General - The retention period starts from the date of submission of the final expenditure report, or for grants that are renewed annually, from the date of submission of the annual financial report.
 - 2. Real Property and Equipment - The retention period for real property and equipment records starts from the date of the disposition, replacement or transfer at the direction of DCA.
- C. DCA may request transfer of certain records to its custody from the Grantee when it determines that the records possess long-term retention value and will make

arrangements with the Grantee to retain any records that are continuously needed for joint use.

XXI. Enforcement

A. Remedies for Noncompliance

If the Grantee materially fails to comply with the terms of this grant agreement, , DCA may take one or more of the following actions, as appropriate in the circumstances:

1. Disallow all or part of the cost of the activity or action not in compliance.
2. Request the balance of grant funds to be returned and/or seek reimbursement for funds expended that were not in compliance with the terms and conditions of the grant agreement.
3. Take other remedies that may be legally available.

B. Hearings, Appeals

In taking an enforcement action against the Grantee, DCA may provide the Grantee an opportunity for such hearing, appeal or other administrative proceeding to which the Grantee is entitled under any statute or regulation applicable to the action involved.

XXII. Termination and Suspension

A. The following definitions shall apply for the purposes of this Section:

1. Termination: The termination of a grant means the cancellation of assistance, in whole or in part, under a grant at any time prior to the date of completion.
2. Suspension: The suspension of a grant is an action by the Department which temporarily suspends assistance under the grant pending corrective action by the Grantee or pending a decision to terminate the grant by the Department.
3. Disallowed Costs: Disallowed costs are those charges to the grant which DCA or its representatives shall determine to be beyond the scope of the purpose of the grant, excessive, or otherwise unallowable.

B. DCA may terminate the grant in whole or in part whenever it is determined that the Grantee has failed to comply with the conditions of this grant agreement. DCA shall promptly notify the Grantee in writing of the determination and the reasons for the termination together with the effective date. Payments made to the Grantee or recoveries by DCA under the grant terminated for cause shall be in accord with the legal right and liability of the parties.

C. The Grant Closeout procedures in Section XXIV of the grant shall apply in all cases of termination of the grant.

XXIII. Grant Closeout Procedures

A. The following definitions shall apply for the purpose of this Section:

1. Grant Closeout: The closeout of a grant is the process by which the DCA determines that all applicable administrative actions and all required work of the grant have been completed by the Grantee.

2. Date of Completion: The date when all grant funding has been expended, and the Grantee has provided the required reporting pursuant to Section XVIII of this grant agreement, to the satisfaction and approval of DCA.
- B. The Grantee shall submit reports as prescribed by the timeframes set forth in Sections X and XVIII of this grant agreement upon completion of the grant period or termination of the grant.
 - C. The Grantee will, together with the submission of the report, refund to DCA any unexpended funds or unobligated (unencumbered) cash advanced, except such sums that have been otherwise authorized in writing by DCA to be retained.
 - D. If applicable, in the event a final audit has not been performed prior to the closeout of the grant, DCA retains the right to recover any appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

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DCA AND GRANTEE APPROVAL SIGNATURES

EXECUTION SIGNATURES

By the signatures below, the Grantee and DCA (the "parties") execute this agreement and confirm that they are mutually bound by all provisions contained herein and are fully authorized and empowered to enter into and bind their organization to all obligations under this agreement.

For the Grantee:

By: _____ (signature) (authorized delegate)

Susan McCartney (print name)

Mayor (print title)

Date: _____

For DCA:

By: _____ (signature)

(Commissioner or authorized delegate)

Jacquelyn A. Suárez (print name)

Director (print title)

Date: _____