



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) JOB CREATION/RETENTION AGREEMENT

This agreement, between the **City/County of _____** ("**City/County**") and **_____** ("**Employer**") will be used to ensure continuing employment opportunities to residents of the **City/County of _____**. Under this Employment Agreement ("**Agreement**"), the **Employer** intends to create **_____** permanent jobs in the **City/County**. This Agreement is incorporated by reference in the loan agreement between the **City/County** and the **Employer**.

1. **General Terms**

- a) **JOB CREATION REQUIRED:** The **City/County** seeks to provide CDBG funded business assistance totaling \$**_____**, the "**Loan**". New job creation is a condition of this financial assistance. This Employment Agreement for Job Creation ("**Agreement**") establishes the job creation requirements for the Loan. New jobs shall be counted as of **DATE** and shall be documented on forms provided by the **City/County** for tracking new hires.
- b) **PUBLIC BENEFIT:** The CDBG public benefit goal for this Agreement is the creation of one new full-time equivalent (FTE) position for each \$35,000 in CDBG loan funds borrowed under the **Loan**.
- c) **NATIONAL OBJECTIVE:** Businesses receiving loans must create or retain private sector jobs principally for low-income and very low-income persons. Prior to employment with the **Employer**, and until the State of California Department of Housing and Community Development certifies the National Objective has been met, at least fifty-one percent (51%) of all new employees must have household incomes of less than 80% area median income (AMI) as established by the most recent State CDBG's current year income limits. Failure to meet a National Objective constitutes default under the Loan Agreement subject to the remedies provided in the Loan Agreement and the Promissory Note and/or Deed of Trust.

One FTE is a minimum of 1,750 work hours per year. Four part-time employees (438 hours per year minimum) can be combined to satisfy one FTE. The **Employer** agrees to hire at least **_____** FTE's as permanent employees according to the new hire projection form included as Attachment A, as may be amended from time to time on prior written authorization of the **City/County**.
- d) **INCOME CERTIFICATION:** The **Employer** shall require, as a condition of the Loan Agreement and this Agreement, that every applicant for a new position submit with application, a completed Self-Certification form (Attachment B). **Employer** agrees to allow **City/County** staff access to employees to verify or correct Self-Certifications as necessary. **Employer** agrees to provide payroll records, including but not limited to EDD Quarterly reports, as necessary to document employment status. The payroll records and Self-Certification forms together shall be the basis for determining compliance with this **Agreement**.
- e) **PRINCIPAL BENEFIT TO CITY/COUNTY:** CDBG statutes require the funds principally benefit residents of the **City/County**. To satisfy this requirement, **Employer** agrees to make every effort to hire **City/County** residents to fill the newly created positions. Such effort shall



- include but not be limited to targeted advertising and recruiting in **City/County**, working with the **Agency** to conduct targeted outreach, and prioritizing review of applications submitted by residents. **Employer** agrees to provide **City/County** documentation of the efforts made to principally hire **City/County** residents.
- f) The **City/County** may elect to conduct self-certifications for all new hires and collect HUD data for the **Employer** subject to the limitations set out in this **Agreement**. All CDBG self-certification forms and other employment information accessed and used by the **City/County** will remain confidential. New hire reporting and performance data will be aggregated for City/County reports to ensure personal information of new hires remains confidential.
- g) This Agreement shall take effect when signed by the parties below. The terms of this **Agreement** shall be satisfied within [redacted] months of this Agreement. If the Job Creation requirement is met prior to this period, and the job creation associated with the project for which the loan was made is complete, this agreement shall terminate. The term of this **Agreement** may be extended to capture additional job creation associated with the project for which the loan was made by mutual written agreement.
2. Employment Recruitment
- a) The **Employer** agrees “covered positions” for the purposes of this Agreement shall include all **Employer's** job openings in the **City/County** created within the positions listed on the Jobs Tracking Form-Proposed Project submitted in the application except for those classified as "non-covered", as defined in Section 2 (b) below.
- b) The following types of positions are considered non-covered positions: owners of the business, seasonal workers, interns or apprentices and those filled by internal promotion from the **Employer's** existing work force.
3. Controlling Regulations & Laws.
- a) If this Agreement conflicts with any labor laws or other governmental regulations, those laws or regulations shall prevail.
- b) If this Agreement conflicts with a collective bargaining agreement to which the Employer is a party, the bargaining agreement shall prevail.
- c) The Employer shall not discriminate against any applicant for employment due to race, religion, age, color, sex, national origin, physical handicap, sexual preference, or political affiliation.
7. Indemnification, Assignment Modification and Renewal
- a) **Employer** shall indemnify, defend and hold harmless **City/County**, and any all of the Indemnified Parties from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys’ fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this **Agreement** by **Employer** or by any individual or entity for which **Employer** is legally liable, including but not limited to officers, agents, employees or Consultants of **Employer**.



- b) If, during the term of this **Agreement**, the **Employer** should transfer possession of all or a portion of its business concerns to any other party by lease, sale, assignment or otherwise, the **Employer** as a condition of transfer shall require the party taking possession to agree, in writing, to the terms of this **Agreement** and to obtain approval of the **City/County**. A new Non-Financial Employment Agreement shall be executed with the new party prior to the effective date of the transaction.
- c) This Agreement may, upon mutual agreement, be modified in order to improve the working relationship described herein.
- d) The **City/County** may terminate this Agreement at any time by written notification if its federal, state or local grants are suspended or terminated before or during the contract period.

8. Acceptance

The Undersigned hereby agree to terms and conditions listed herein.

ATTACHMENTS:

- A. CDBG Jobs Tracking Form-Proposed Project
- B. Business Assistance Project Self-Certification of Income Form

EMPLOYER:

CITY:

Address: _____

Address: _____

Signature: _____

Signature: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____