SAMPLE 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 or retain ________ (__) jobs in the City/County. This Agreement is incorporated by reference in the loan agreement between the City/County and the Employer.

This is a (select one)
☐ Job Creation Agreement ("Creation")
☐ Job Retention Agreement ("Retention")

This project is funded by:
☐ CDBG
☐ CDBG-CV (referred to as "CDBG" hereafter)

1. General Terms
   a) JOB CREATION/RETENTION REQUIRED: The City/County seeks to provide CDBG funded business assistance totaling $___________, the "Loan". New job creation Job retention (strike one) is a condition of this financial assistance. This Employment Agreement for Job Creation ("Agreement") establishes the job creation/retention requirements for the Loan. New or retained jobs shall be counted as of ________ and shall be documented on forms provided by the City/County for tracking new or retained jobs.

   b) PUBLIC BENEFIT: The CDBG public benefit goal for this Agreement is the Creation or Retention of one full-time equivalent (FTE) position for each (strike one) $35,000 $85,000 in CDBG loan funds borrowed under the Loan.

   c) NATIONAL OBJECTIVE: Businesses receiving loans must create (Creation) or retain (Retention) private sector jobs principally for low- or moderate-income persons. Prior to employment with the Employer, and until the City/County certifies the National Objective has been met, at least fifty-one percent (51%) of all new employees (Creation) or fifty-one percent (51%) of all retained employees (Retention) must have family incomes of less than 80% area median income (AMI) as established by the most recent HUD 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 40 hours of work hours per week. Four part-time employees (10 hours per week minimum) can be combined to satisfy one FTE. The Employer agrees to hire (Creation) or retain (Retention) at least __________________ (__) FTE permanent employees.

   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 (Creation), or every current employee retained (Retention), will complete a Self-Certification Form. Employer agrees to allow City/County staff access to employees to verify or correct Self-Certifications as necessary. Employer agrees to provide payroll records as necessary to document employment status. The payroll records and Self-Certification forms together shall be the basis for determining compliance with this Agreement. Employer (strike one) may may not waive the Employee Self-Certification form in lieu of payroll records for the purpose of income certification.

   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 (Creation) or retain existing City/County residents (Retention). For job creation, such effort shall include but not be limited to targeted advertising and recruiting in City/County of __________, working with the City/County 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 (Creation) or all employees (Creation or Retention) 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. Employee reporting, new hire information, 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 __ months of this Agreement. 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/Retention
   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 CDBG(CV) Job Creation/Retention Report (Creation) or jobs listed on the CDBG(CV) Job Creation/Retention Report (Retention) submitted in the application with the exception of 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 positions filled by internal promotion from the Employer’s existing work force.

   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 CDBG 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(CV) Job Creation/Retention Report
B. CDBG(CV) Income Certification Form

EMPLOYER:  
CITY/COUNTY:

Address: ___________________________  Address: ___________________________

_______________________________  _________________________________

Signature: _________________________  Signature: _________________________

Print: ______________________________  Print: ______________________________

Title: _______________________________  Title: _______________________________

Date: ________________  Date: ________________