

**AGREEMENT BETWEEN THE CITY OF CHICO AND
SMALL BUSINESS DEVELOPMENT CENTER
FOR USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
Economic Development Activity (2022-23 Fiscal Year)**

THIS AGREEMENT is made effective July 1, 2022, by and between the City of Chico, a California charter city ("City"), and the Butte-Glenn Community College District ("Provider").

WHEREAS, Provider is a community college district organized under the laws of the State of California and qualifying for Federal Tax Exempt Status; and

WHEREAS, the City is a recipient of United States Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds, and desires to allocate a portion of its CDBG Funds ("Funding") to Provider for the sole purpose of supporting Provider's delivery of services and programs to City's residents, on the terms and conditions set forth herein.

NOW, THEREFORE, it is mutually agreed by Provider and City as follows:

1. PROGRAMS AND SERVICES

Provider will provide technical assistance to microenterprises (defined as businesses up to five employees, including the owner) located in the City of Chico pursuant to Section 570.201(o) of the CDBG Program Regulations. The service shall provide benefit to low and moderate income persons pursuant to Section 570.208 (a)(2)(iii) of CDBG Program Regulations. The provision of technical assistance shall include business counseling and outreach (orientation groups, peer support programs and marketing) for income-qualifying clients.

Provider will provide workshops directly focusing on microenterprise businesses and provide one-on-one business consulting assistance to a minimum of one hundred fifty (150) new and existing microenterprise businesses in Chico.

2. TERM/TERMINATION

A. The term of this Agreement shall be July 1, 2022-June 30, 2023. If City approves subsequent funding for Provider, this Agreement may be amended and/or renewed in writing to provide for a new funding period. The term of this Agreement and the provisions hereof shall be extended to cover any additional time period which Provider remains in control of Funding or other CDBG assets, including program income.

B. Provider's obligation(s) to the City under this Agreement shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all used materials, equipment, unspent cash advances,

program income balances, and accounts receivable to the City), and determining the custodianship of records.

- C. Termination for Convenience. The City may terminate this Agreement, with the consent of the Provider, upon the parties' agreement of the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. This Agreement may be terminated by Provider upon written notification to the City, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, in the case of partial termination, if the City determines that the remaining portion of this Agreement will not accomplish the purpose for which the Funding was provided, the City may terminate this Agreement in its entirety.
- D. Termination for Lack of Funds. City may, in its sole and absolute discretion, terminate this Agreement and Provider's allocated Funding in whole or in part by providing ninety (90) days written notice that adequate funds are not available to perform this Agreement.
- E. In the event this Agreement is terminated, as provided in this section, Provider agrees to and shall immediately return to City any and all unexpended and unencumbered CDBG Funds. Further, Provider shall comply with the provisions of Section 6 of this Agreement relating to Repayment of Funding.

3. FUNDING

Funding for the term of this Agreement shall be the amount allocated and approved by the City Council in its annual budget and as set forth in Exhibit "A."

4. USE OF FUNDING

Use of City's funding by Provider shall be subject to the following express terms and conditions:

- A. Any funds paid to Provider shall be used for the purposes set forth in Section 1 above.
- B. Funding paid hereunder shall not apply toward indirect costs unless Provider has submitted to City in writing, and City has approved in writing in its sole and absolute discretion, an Indirect Cost Allocation Plan.
- C. Provider shall comply with all applicable uniform administrative requirements set forth in 2 CFR part 200, which are expressly incorporated in their entirety into this Agreement. All expenditures of City funds by Provider shall be made strictly within the limitations of the 2 CFR part 200 which may be found here: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl which Provider expressly acknowledges having read, and understands.

- D. Provider shall comply with federal civil rights laws including, but not limited to Title VI of the Civil Rights Act of 1964, as amended (non-discrimination); Section 109 of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; and Title VIII of the Civil Rights Act of 1968, as amended (the Fair Housing Act).

Providers with 15 or more employees must designate a Section 504 Coordinator, establish grievance procedures and include non-discrimination notices in informational, advertising and marketing materials for CDBG funded activities.

- E. Funds paid hereunder shall be expended solely for the benefit of small businesses operating within the corporate limits of the City. Accordingly, Provider shall keep adequate records of clients served by Provider as to their location, to ensure that all funds benefit small businesses within the City.
- F. Provider agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.
- G. Provider shall render services utilizing funds paid by City hereunder as set forth in 24 CFR 570.208, a copy of which has been furnished to Provider electronically.
- H. Any fees charged to eligible City small businesses for services under this Agreement shall be added to funds allocated by City and used to further eligible program services as described in Section 1 above. In the event existing provisions of an agreement between Provider and its primary funding agency conflict with this section, the requirements of the primary funding agency shall take precedence.
- I. Provider shall not use any of the Funding for the purpose of influencing or attempting to influence an elected official or officer or employee of any local, state or federal agency, or in support or opposition of any political candidate or ballot measure. Provider agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C. (the Hatch Act).

5. APPORTIONMENT OF FUNDS

Compensation under this Agreement shall be provided from the Economic activity of City's Community Development Block Grant (CDBG) Program. In accordance with CDBG regulations, payment for services shall be made after services have been rendered and in accordance with the invoicing procedures set forth herein.

6. REPAYMENT OF FUNDING

If, upon the completion of the term set forth in Section 2 (A) above, or upon the termination of this Agreement, whichever first occurs, any Funding advanced to Provider remains

unexpended, Provider shall return the unexpended Funding and any Program Income to City within thirty (30) days of the expiration of the term, or shall make a request in writing to retain the Funding. Any request to retain Funding or Program Income shall be submitted to the City Manager and must be received no later than thirty (30) days prior to the expiration of the term, and the City's approval of such request shall be memorialized in a subsequent agreement between the parties setting forth the activities that will be undertaken with the same. Notwithstanding the foregoing, at the end of any program year during the term of this Agreement, the City may require remittance of all or portion of any Program Income balances held by Provider.

7. DOCUMENTS, REPORTS AND RECORDS

- A. Provider shall maintain all records required by 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement.
- B. Provider shall at all times maintain a complete and current set of financial and statistical records of all its activities, which shall include, but shall not be limited to, those specifically set forth below or otherwise mentioned herein, and which shall in particular reflect clearly the application and use of funds paid to it by City. All such records shall be in a form satisfactory to the City Manager and the Finance Director and shall be subject to inspection by the City Manager or audit by the Finance Director, or their designees, at any reasonable time during the normal and usual business hours of Provider.
- C. Recognizing that Provider may from time to time render services to recipients which are highly personal and confidential in nature, City, in its dealings with Provider, will at all times maintain the confidentiality of those records and will not require a public record to be made or provided that will serve to violate the confidentiality requirements of Provider to the extent provided by law. Any inspection or audit shall be made by the City Manager, the Finance Director or their designees.
- D. Provider shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement, as applicable. The use of program income by Provider shall comply with the requirements set forth at 24 CFR 570.504.
- E. Provider shall file a "Semiannual Report for Use of City of Chico Community Development Block Grant Funds" (Exhibit "A") with City. The reports shall be due no later than January 31 and July 15 for each preceding six month period.
- F. Provider shall submit to City information on each program recipient assisted including type of business, type of technical assistance provided and the results of assistance in a format approved by City. Provider also shall report on the name, address, ethnicity, income/family size and other demographic information for program recipients on a form substantially like the attached Exhibit "B," for periods as set forth above in Section 7(E) above.

- G. Provider shall submit to City any independent audits of its program within thirty (30) days of approval by Provider's governing board. Such audits may be used by City in place of or in addition to any audit performed by City.
- H. At the end of the term of this Agreement, Provider shall submit a final "Semiannual Report for Use of City of Chico Community Development Block Grant Funds" (Exhibit "A"), report due no later than thirty (30) days after the expiration of the Agreement, which provides annual summary information on those statistical areas set forth on Exhibit "B."
- I. By execution of Lobbying Certification (Exhibit "C") Provider shall certify that funds granted to Provider from City will not be used to support lobbying efforts and that any other funds used for lobbying will be disclosed as set forth in the Lobbying Certification.
- J. Provider shall retain all documents pertaining to this Agreement for a period of five (5) years after this Agreement's termination (or for any further period that is required by law), and until all Federal or City audits are complete and exceptions resolved for this Agreement's funding period. Notwithstanding the foregoing, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later. Upon request, Provider shall make these records available to authorized representatives of the City and the United States Government.

8. ON-SITE MONITORING

Authorized representatives of HUD and City shall be allowed to monitor the performance of Provider against the goals and performance outlined in this Agreement. Substandard performance as determined by the City will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Provider within a reasonable period of time after being notified by City, contract suspension or termination procedures may be initiated. Such monitoring may include, but is not limited to, observation of services provided, interviews with Provider personnel and staff involved in project operations and validation of source data used in the preparation of reports to City. The City will advise Provider in writing of any monitoring concerns or findings within thirty (30) days after a monitoring visit. Provider shall respond to the concerns/findings within ten (10) days.

9. INDEPENDENT-CONTRACTOR

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Provider shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. City shall be exempt from payment of all

Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Provider is an independent contractor.

10. HOLD HARMLESS CLAUSE

Provider shall hold City, its officers, boards and commissions, and members thereof, its employees and agents harmless of and free from any and all liabilities which might arise out of or relating to this Agreement. Should City or any of its officers, boards and commissions, and members thereof, its employees or agents, be named in any suit, or should any claim be made against it or any of them by suit or otherwise, whether the same may be groundless or not, arising out of or relating to this Agreement, Provider shall defend City and said officers, boards and commissions, and members thereof, its employees and agents, and shall indemnify them for any judgment rendered against them or any sums paid out in settlement or otherwise, including the payment of any and all attorney's fees.

11. LEGAL COMPLIANCES

Provider agrees to comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits, including but not limited the requirements of 24 CFR Part 570 (the U.S. Housing and Urban Development regulations concerning CDBG), including subpart K of these regulations, except that: (1) Provider does not assume the City's environmental responsibilities described in 24 CFR 570.604 and (2) the Provider does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Provider shall maintain all presently required permits and shall secure at its own cost any new permits required by authorities herein with jurisdiction over the work, project, or services provided by Provider.

12. NON-DISCRIMINATION CLAUSE

- A. Provider agrees to comply with the non-discrimination laws, regulations, and executive orders referenced in 24 CFR 570.602, including 24 CFR 6, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the applicable non-discrimination provisions in Section 109 of the HCDA.
- B. Provider shall not discriminate against any employee employed in the performance of this Agreement, or against any applicant for employment because of sex, race, creed, color, national origin or ancestry, religion, age, familial or marital status, medical condition, genetic information, gender, source of income, veteran status or disability. This requirement shall apply to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- C. No person shall, on the ground of race, sex, creed, color, national origin, age, marital status or disability, be excluded from participation in, be denied the proceeds of or be subject to discrimination in the performance of this Agreement.

- D. In the event Provider is a religious organization, Provider shall also not condition receipt of any of the services funded by the grant made pursuant to this Agreement upon participation in any religious instruction or service.

13. CONFLICTS OF INTEREST

- A. Provider shall promptly inform City of any contract, agreement, arrangement, or interest that Provider may enter into or have during the performance of this Agreement that may conflict with City's interests. Provider shall take such measures as are necessary in the performance of this Agreement to prevent actual or appearances of conflicts of interest.
- B. Provider shall comply with 24 CFR Part 570.611 with respect to conflicts of interest, and covenants that Provider currently has no financial interest and shall not during the term of this Agreement acquire any financial interest, direct or indirect, that would conflict in any manner or degree with the performance of services under this Agreement. Provider further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by Provider.

14. MISCELLANEOUS

- A. Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following Agreement representatives:

To Provider: Butte-Glenn Community College District
2480 Notre Dame Blvd.
Chico, CA 95928
ATTN: Sophie Konuwa, Director

To City: City of Chico
P.O. Box 3420
Chico, CA 95927
ATTN: City Manager/Housing

- B. Amendments. Provider or City may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by City. Such amendments shall not invalidate this Agreement, nor relieve or release City or Provider from their obligations under this Agreement. City may, in its discretion, amend this Agreement to conform with Federal, state or local

governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both City and Provider.

- C. Assignment. Provider shall not assign or transfer any interest in this Agreement without the prior written consent of City thereto; provided, however, that claims for money due or to become due to Provider from City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to City.
- D. Subcontracts. Provider shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of City prior to the execution of such agreement. Provider will monitor all subcontracted services on a regular basis to assure Agreement compliance. Provider shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.
- E. Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.
- F. Waiver. The City's failure to act with respect to a breach by the Provider does not waive its right to act with respect to subsequent or similar breaches. The failure of City to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.
- G. Entire Agreement. This agreement constitutes the entire agreement between the City and Provider for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between City and the Provider with respect to this Agreement.

15. DEFAULTS; REMEDIES

- A. Enforcement By City Due To Default By Provider. In the event Provider materially fails to comply with any term of this Agreement, City may take one or more of the actions provided under the Code of Federal Regulations, including 2 CFR 200.338-.342 relating to Remedies for Noncompliance or City may avail itself of any other remedies available at law or equity for breach of this Agreement.
- B. Recapture. Provider shall have the affirmative obligation to repay, and City shall have the affirmative right to recapture from Provider all (or any portion of) Funding disbursed to Provider hereunder in the event of Provider's default

hereunder or in the event Provider refuses to accept or fails to comply with any conditions which may subsequently be imposed by HUD for the operation of the CDBG Program.

16. SUSPENSION AND DEBARMENT

- A. This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Provider is required to verify that none of the Provider's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- B. The Provider must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters in to.
- C. This certification is a material representation of fact relied upon by City. If it is later determined that the Provider did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.


[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto, by their officers hereunder duly authorized, have executed this Agreement the day and year hereinabove first written.

SMALL BUSINESS DEVELOPMENT CENTER

By: 
Sophie Konowa, Executive Director

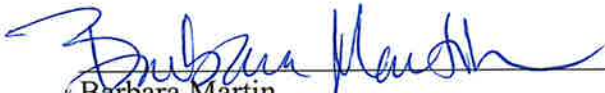
CITY OF CHICO ("City")

By: 
Mark Sorensen, City Manager

BUTTE-GLENN COMMUNITY COLLEGE DISTRICT ("Provider")

By: 
Andy Suleski
Vice President of Administration

REVIEWED AS TO CONTENT:


Barbara Martin,
Interim Administrative Service Director*


*Reviewed by Finance and Information Systems

APPROVED AS TO CONTENT:


Marie Demers, Housing Manager

Authorized pursuant to Sec. 2R.04.170
Chico Municipal Code and by City
Council 2022-23 Budget Adoption and
Approval of HUD Annual Budget
June 7, 2022

APPROVED AS TO FORM:


Vincent C. Ewing**
City Attorney

** Approved pursuant to The Charter of the City of Chico §906(D)

EXHIBIT "A"
SEMI-ANNUAL REPORT FOR USE OF
CITY OF CHICO COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
FY 2022-2023
201-000-8906/65905-201-4612

Name of Provider: Butte-Glenn Community College District
Address: 2480 Notre Dame Blvd., Chico, CA 95928
Contact Person/Title: Sophie Konuwa, Executive Director
 Small Business Development Center

Funding Allocation: Funding to support provider's counseling and training programs, including staff costs not to exceed \$50,000.00.

Report Period (CHECK ONE):

_____ First (July 1 through December 31) - report due no later than January 31
 _____ Final (January 1 through June 30) - report due no later than July 15

Semiannual Period - Clients Served:

New Clients served _____
 Returning Clients served _____
 Total Qualifying Clients Served this Period _____

Semiannual CDBG Expenditures:

Counseling Program (_____ hours; billed for _____ hours) \$ _____
 Training Program (_____ persons trained; _____ trainings) \$ _____
 TOTAL SEMIANNUAL CDBG EXPENDITURES \$ _____

I hereby certify the above information to be true and correct to the best of my knowledge.

REVIEWED BY:

 Sophie Konuwa
 Executive Director
 Butte-Glenn Community College District

 Marie Demers
 Housing Manager

 Date

 Date

EXHIBIT "B"
AGREEMENT BETWEEN CITY OF CHICO AND BUTTE-GLENN COMMUNITY COLLEGE DISTRICT CDBG FUNDS
CLIENT AND MICROENTERPRISE BUSINESS PROFILE

REPORT FOR PERIOD _____ THROUGH _____

BUSINESS NAME	ADDRESS	RACE GROUP (1)	HISPANIC Y/N	DISABLED	NEW BUSINESS	EXISTING BUSINESS /CLIENT	HOUSEHOLD INCOME/SIZE	INCOME LEVEL (2)	AREA OF COUNSELING	DATE	# OF HOURS	# LOW INCOME JOBS CREATED FT/PT	# HOURS
TOTALS FOR PERIOD													

ANNUAL TOTAL													
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(1) RACE/HISPANIC ETHNICITY TABLE AND TALLY FROM ABOVE

1. American Indian/Alaska Native AND Hispanic	2. Asian AND Hispanic	3. Black/African American AND Hispanic	4. Native Hawaiian/Other Pacific Islander AND Hispanic	5. White AND Hispanic	6. American Indian/Alaska Native AND Black/African American AND Hispanic
7. American Indian/Alaska Native AND White AND Hispanic	8. Asian AND White AND Hispanic	9. Black/African American AND White AND Hispanic	10. Asian/Pacific Islander AND Hispanic		

(1) RACE/NON-HISPANIC ETHNICITY TABLE AND TALLY

1. American Indian/Alaska Native	2. Asian	3. Black/African American	4. Native Hawaiian/Other Pacific Islander	5. White	6. American Indian/Alaska Native AND Black/African American
7. American Indian/Alaska Native AND White	8. Asian AND White	9. Black/African American AND White	10. Asian/Pacific Islander		

(2) BUTTE COUNTY HOUSEHOLD INCOME 2021 CHART/TALLY FROM ABOVE

Extremely Low Income--30% (EL)	
Very Low--50% (VL)	
Low Income--60% (LI)	
Lower Income--80% (LRI)	
Moderate Income--120% (M)	

EXHIBIT "B"
AGREEMENT BETWEEN CITY OF CHICO AND BUTTE-GLENN COMMUNITY COLLEGE DISTRICT CDBG FUNDS
CLIENT AND MICROENTERPRISE BUSINESS PROFILE

# LOW INCOME JOBS RETAINED FT/PT	# HOURS	EMPLOYERED SPONSORED HEALTHCARE BENEFITS	PRODUCT/ SERVICE MEETS NEEDS OF LOW INCOME AREA	JOB CATEGORY

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