

**AGREEMENT TO RELEASE THE EDA FEDERAL INTEREST IN A  
REVOLVING LOAN FUND AWARD**

THIS AGREEMENT is between the United States Department of Commerce, Economic Development Administration (EDA) and the City of Long Beach (Recipient).

WHEREAS, EDA, pursuant to its authority under the Public Works and Economic Development Act of 1965 (PWEDA) (42 U.S.C. § 3121 *et seq.*), awarded to Recipient one or more grants to capitalize a Revolving Loan Fund (RLF) bearing EDA award number 07-49-05046 (the Award).

WHEREAS, EDA retains a federal interest in the Award and Recipient has submitted a written request that EDA release its federal interest in the Award consistent with the requirements of the Reinvigorating Lending for the Future Act (Pub. L. 116-192), attached hereto as Appendix A (the Request).

WHEREAS, EDA and Recipient agree that the value of the RLF capital base as of September 30, 2022 is \$2,201,394.98, the federal investment rate is 47.49%, and the federal share of the RLF capital base is \$1,045,380.15 (the Award Funds).

WHEREAS, EDA has determined that 1) more than seven years have passed since the final EDA disbursement to Recipient of funds under the Award, 2) Recipient has complied with the terms and conditions of the Award, and 3) Recipient proposes to use the Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA.

WHEREAS, EDA agrees herein to release its federal interest in the Award and Recipient agrees herein to use Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA.

NOW THEREFORE, EDA and Recipient agree as follows:

1. EDA's Release. EDA agrees to release its federal interest in the Award. EDA's reversionary interest in the Award will cease to exist as of the effective date of this agreement.
  - a. Recipient's use of Award Funds no longer needs to comply with, among other things, the following authorities:
    - i. OMB regulations at 2 CFR part 200, including the Compliance Supplement at Appendix XI.
    - ii. EDA regulations at 13 CFR chapter III, including the RLF-specific regulations at part 307, subpart B (including the requirement at 13 CFR § 307.14 to submit Form ED-209 RLF Financial Report to EDA).
    - iii. The terms and conditions attached to the Award, including the Department of Commerce's Standard Terms & Conditions, the EDA RLF Standard Terms & Conditions, and any Special or Specific Award Conditions.

- iv. The EDA-approved RLF plan or any related document governing administration of the Award.
  - b. This release of the EDA federal interest in the Award does not extend to or include a release of any other entity's interest in the RLF capital base, including another federal agency's interest in the RLF capital base. More specifically, if Community Development Block Grant funds from the U.S. Department of Housing and Urban Development (HUD) or funds from the U.S. Department of Agriculture (USDA) were used as local share under the Award, this release of the EDA federal interest does not extend to or include a release of any HUD or USDA federal interest in the RLF capital base. If Recipient seeks a release of another entity's interest in the RLF capital base, including another federal agency's interest in the RLF capital base, Recipient must negotiate such a release with the other entity and EDA will not participate in that negotiation.
2. Recipient's Use of Award Funds. Recipient agrees to use Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA.
- a. Recipient shall not use Award Funds to construct schools, community centers, municipal buildings, or otherwise use Award Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall Recipient use Award Funds to pay general costs of government.
  - b. Recipient shall not transfer Award Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Award Funds may be used to contract with for-profit entities for goods and services for one or more activities that continue to carry out the economic development purposes of PWEDA and to operate an RLF that makes loans to for-profit organizations.
  - c. Award Funds must be used in a manner consistent with EDA's non-relocation policy. Specifically, Recipient shall not use Award Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.
  - d. Award Funds must be used in accordance with section 602 of PWEDA (42 U.S.C. § 3212). Specifically, Recipient shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Award Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
  - e. Recipient shall use Award Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. Recipient may not use Award Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Award Funds were expended directly by the Federal Government.
  - f. Recipient is not required by the terms of this Agreement to seek EDA approval or permission to use Award Funds for one or more activities that continue to carry

out the economic development purposes of PWEDA but that differ from the activities described in the Request, attached hereto as Appendix A.

- g. Recipient shall provide timely and accurate responses to EDA inquiries regarding Recipient's use of the Award Funds. Following the release of EDA's federal interest, EDA remains interested in working with Recipient to promote Recipient's RLF or other activities that continue to carry out the economic development purposes of PWEDA.
3. **Enforcement.** In the event that EDA determines that Award Funds have been used in a manner inconsistent with this agreement, EDA may require Recipient to return the misspent portion of the Award Funds to the Federal Government, which may include the establishment of a debt with the U.S. Department of the Treasury.
4. **Indemnification.** To the extent permitted by law, Recipient agrees to indemnify and hold the Federal Government harmless from and against all liabilities that the Federal Government may incur as a result of releasing EDA's federal interest in the Award.
5. **Governing Law; Severability.** This Agreement is governed by applicable federal law, if any, and if there is no applicable federal law by state law. The terms of this Agreement do not limit the rights EDA, its designees, successors, or assigns are entitled to under applicable federal or state law. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement that can be given effect without the conflicting provision, and to this end the provisions of this Agreement are declared to be severable.
6. **Entire Agreement.** This Agreement contains the entire understanding of EDA and Recipient with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.
7. **Authority.** Recipient represents that (a) it has the power and authority to execute and perform this Agreement, (b) the execution and performance of this Agreement by Recipient have been duly authorized by all necessary corporate or other actions, (c) Recipient has duly and validly executed this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against Recipient.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, EDA and Recipient have caused this Agreement to be duly executed by their respective officers as of the date indicated.

**DEPARTMENT OF COMMERCE,  
ECONOMIC DEVELOPMENT ADMINISTRATION**

By: SHEBA PERSON-  
WHITLEY

Digitally signed by SHEBA PERSON-WHITLEY  
Date: 2023.07.31 16:04:17  
-04'00'

---

Sheba Person-Whitley  
Regional Director  
Seattle Regional Office

7/31/2023

Date

**CITY OF LONG BEACH**

By: *Linda J. Jatum for*  
Thomas B. Modica  
City Manager

**EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.**

8-1-2023  
Date

**APPROVED AS TO FORM**  
July 31, 2023  
DAWN MCINTOSH, City Attorney

By: *[Signature]*  
MONICA J. KILAITA  
DEPUTY CITY ATTORNEY

Appendix A:



Economic Development Department  
Business Development Bureau  
411 West Ocean Boulevard, Long Beach, CA 90802  
562.570.6923

July 21, 2023

USDOC-EDA Seattle Regional Office  
915 2nd Avenue, Rm 1890  
Seattle, WA 98174

Re: Request for De-Federalization for Award # 07-49-05046

The City of Long Beach requests that the EDA release their federal interest in the City's EDA Revolving Loan Fund award #07-49-05046.

1. Organization's name and contact information:
  - a. Organization name: City of Long Beach Economic Development Department
  - b. Contact: Bo Martinez  
[Bo.Martinez@longbeach.gov](mailto:Bo.Martinez@longbeach.gov)  
562-570-5282
2. Identifying information for the RLF award:
  - a. Award number: 07-49-05046
  - b. Date of award: 2001
  - c. Federal investment rate: 47.49%
3. Value of the RLF award: \$2,201,394.98
4. Proposed use of RLF award funds:
  - a. We plan to continue to utilize the RLF award funds to make loans to small business and economic development projects. Similar to the original use of funds, we will make loans using the de-federalized RLF capital.
5. Certification:
  - a. The City of Long Beach hereby certifies that it has complied with the terms and conditions of the RLF award.
6. City Council approved letter supporting request to release EDA's federal interest.
  - a. See attached
7. Final RLF Financial Report
  - a. See attached copy of 9/30/2022 RLF Report .
8. Most recent single audit
  - a. Please refer to most recent audit provided by the City to EDA.

Signed,

Bo Martinez Date  
Director of Economic Development

7/21/23  
Date