

114TH CONGRESS
2D SESSION

H. R. 5144

To amend the State Small Business Credit Initiative Act of 2010 to help small businesses access capital and create jobs by reauthorizing the successful State Small Business Credit Initiative and to allow participating States to provide program funds to small businesses for development of affordable housing.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2016

Mrs. BEATTY introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the State Small Business Credit Initiative Act of 2010 to help small businesses access capital and create jobs by reauthorizing the successful State Small Business Credit Initiative and to allow participating States to provide program funds to small businesses for development of affordable housing.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Jumpstart Housing
5 Opportunities Utilizing Small Enterprises Act of 2016”
6 or the “Jumpstart HOUSE Act of 2016”.

1 **SEC. 2. NEW TRANCHES OF CAPITAL FOR SUCCESSFUL**
2 **STATE PROGRAMS.**

3 Section 3003 of the State Small Business Credit Ini-
4 tiative Act of 2010 (12 U.S.C. 5702) is amended by add-
5 ing at the end the following:

6 “(d) **ADDITIONAL ALLOCATION AND COMPETITIVE**
7 **AWARDS.**—

8 “(1) **DEFINITIONS.**—In this subsection—

9 “(A) the term ‘eligible participating State’
10 means a participating State that has certified
11 to the Secretary that the State has expended,
12 transferred, or obligated not less than 80 per-
13 cent of the second $\frac{1}{3}$ of the 2010 allocation
14 transferred to the State under subsection
15 (c)(1)(A)(iii); and

16 “(B) the term ‘unused funds’ means—

17 “(i) amounts made available to the
18 Secretary under clause (i)(II) or (ii)(II) of
19 paragraph (2)(E); and

20 “(ii) amounts made available to the
21 Secretary under paragraph (4)(B)(ii).

22 “(2) **ALLOCATION FOR 2010 PARTICIPATING**
23 **STATES.**—

24 “(A) **ALLOCATION.**—Of the amount made
25 available under paragraph (6)(D), the Secretary
26 shall allocate a total of \$500,000,000 among el-

1 eligible participating States in the same ratio as
2 funds were allocated under the 2010 allocation
3 under subsection (b)(1) among participating
4 States.

5 “(B) APPLICATION.—An eligible partici-
6 pating State desiring to receive funds allocated
7 under this paragraph shall submit an applica-
8 tion—

9 “(i) not later than the date that is 6
10 months after the date of enactment of this
11 subsection; and

12 “(ii) in such manner and containing
13 such information as the Secretary may re-
14 quire.

15 “(C) AVAILABILITY OF ALLOCATED
16 AMOUNT.—

17 “(i) IN GENERAL.—Notwithstanding
18 subsection (c)(1), after an eligible partici-
19 pating State approved by the Secretary to
20 receive an allocation under this paragraph
21 has certified to the Secretary that the eligi-
22 ble participating State has expended,
23 transferred, or obligated not less than 80
24 percent of the last $\frac{1}{3}$ of the 2010 alloca-
25 tion to the eligible participating State, the

1 Secretary shall transfer to the eligible par-
2 ticipating State the funds allocated to the
3 eligible participating State under this para-
4 graph.

5 “(ii) EFFECT ON AGREEMENTS.—The
6 allocation or transfer of funds under this
7 paragraph to an eligible participating State
8 shall not be construed to—

9 “(I) amend or modify the terms
10 of the Allocation Agreement entered
11 into by the eligible participating State
12 relating to the 2010 allocation; or

13 “(II) modify or extend the Allo-
14 cation Time Period, as defined under
15 such Allocation Agreement.

16 “(D) USE OF TRANSFERRED FUNDS.—An
17 eligible participating State may use funds
18 transferred under this paragraph for any pur-
19 pose authorized under subparagraph (A), (B),
20 or (C) of subsection (c)(3).

21 “(E) TERMINATION OF AVAILABILITY OF
22 AMOUNTS.—

23 “(i) IN GENERAL.—If an eligible par-
24 ticipating State has not certified to the
25 Secretary that the State has expended,

1 transferred, or obligated not less than 80
2 percent of the last $\frac{1}{3}$ of the 2010 alloca-
3 tion as of the date that is 2 years after the
4 date on which the Secretary approves the
5 eligible participating State to receive an al-
6 location under this paragraph, any
7 amounts allocated to the eligible partici-
8 pating State under this paragraph—

9 “(I) may not be transferred to
10 the eligible participating State under
11 this paragraph; and

12 “(II) shall be available to the
13 Secretary to make awards under para-
14 graph (4).

15 “(ii) OTHER AMOUNTS.—Effective on
16 the date that is 2 years after the date of
17 enactment of this subsection, any amounts
18 allocated under this paragraph to a partici-
19 pating State that, as of such date, is not
20 an eligible participating State or to an eli-
21 gible participating State that did not sub-
22 mit an application under subparagraph (B)
23 or was not approved by the Secretary to
24 receive an allocation under this para-
25 graph—

1 “(I) may not be transferred to an
2 eligible participating State under this
3 paragraph; and

4 “(II) shall be available to the
5 Secretary to make awards under para-
6 graph (4).

7 “(3) COMPETITIVE FUNDING.—

8 “(A) IN GENERAL.—Of the amount made
9 available under paragraph (6)(D), the Secretary
10 may award, on a competitive basis, not more
11 than a total of \$1,000,000,000 to participating
12 States and consortiums of participating States
13 for use for any purpose authorized under sub-
14 paragraph (A), (B), or (C) of subsection (c)(3).

15 “(B) APPLICATION.—

16 “(i) IN GENERAL.—A participating
17 State or consortium of participating States
18 desiring to receive an award under this
19 paragraph shall submit an application—

20 “(I) not later than the date es-
21 tablished by the Secretary, which shall
22 be not later than the date that is 1
23 year after the date of enactment of
24 this subsection; and

1 “(II) in such manner and con-
2 taining such information as the Sec-
3 retary may require.

4 “(ii) NUMBER OF APPLICATIONS.—A
5 participating State may submit not more
6 than 1 application on behalf of the partici-
7 pating State and not more than 1 applica-
8 tion as part of a consortium of partici-
9 pating States.

10 “(iii) STATES THAT DID NOT PARTICI-
11 PATE.—A State that is not a participating
12 State may apply to the Secretary for ap-
13 proval to be a participating State for pur-
14 poses of this paragraph and paragraph (4),
15 in accordance with section 3004.

16 “(C) FACTORS.—In determining whether
17 to make an award to a participating State or
18 consortium of participating States under this
19 paragraph, the Secretary shall consider—

20 “(i) how the participating State or
21 consortium of participating States plan to
22 use amounts provided under the award
23 under the approved State program to—

24 “(I) leverage private sector cap-
25 ital;

1 “(II) create and retain jobs dur-
2 ing the 2-year period beginning on the
3 date of the award;

4 “(III) serve businesses that have
5 been incorporated or in operation for
6 not more than 5 years; and

7 “(IV) serve low- or moderate-in-
8 come communities;

9 “(ii) the extent to which the partici-
10 pating State or consortium of participating
11 States will establish or continue a robust
12 self-evaluation of the activities of the par-
13 ticipating State or consortium of partici-
14 pating States using amounts made avail-
15 able under this title;

16 “(iii) the extent to which the partici-
17 pating State or consortium of participating
18 States will provide non-Federal funds in
19 excess of the amount required under sub-
20 paragraph (E); and

21 “(iv) the extent to which the partici-
22 pating State expended, obligated, or trans-
23 ferred the 2010 allocation to the State.

24 “(D) AWARD OF FUNDS.—

1 “(i) FIRST TRANCHE.—Notwith-
2 standing subsection (c)(1), and not later
3 than 30 days after making an award under
4 this paragraph to a participating State or
5 consortium of participating States, the
6 Secretary shall transfer 50 percent of the
7 amount of the award to the participating
8 State or consortium of participating
9 States.

10 “(ii) SECOND TRANCHE.—After a par-
11 ticipating State or consortium of partici-
12 pating States has certified to the Secretary
13 that the participating State or consortium
14 of participating States has expended,
15 transferred, or obligated not less than 80
16 percent of the amount transferred under
17 clause (i), the Secretary shall transfer to
18 the participating State or consortium of
19 participating States the remaining amount
20 of the award.

21 “(E) STATE SHARE.—The State share of
22 the cost of the activities, excluding administra-
23 tive expenses, carried out using an award under
24 this paragraph shall be not less than 10 per-
25 cent. The Secretary may determine what con-

1 tributions by a State qualify as part of the
2 State share of the cost for purposes of this sub-
3 paragraph.

4 “(4) AWARD OF UNUSED FUNDS.—

5 “(A) IN GENERAL.—The Secretary may
6 award, on a competitive basis, unused funds to
7 participating States for use for any purpose au-
8 thorized under subparagraph (A), (B), or (C) of
9 subsection (c)(3).

10 “(B) UNUSED 2010 FUNDS.—

11 “(i) IN GENERAL.—The Secretary
12 shall determine whether any amounts allo-
13 cated to a participating State under sub-
14 section (b) shall be deemed no longer allo-
15 cated and no longer available if a partici-
16 pating State has not certified to the Sec-
17 retary that the State has expended, trans-
18 ferred, or obligated 80 percent of the sec-
19 ond $\frac{1}{3}$ of the 2010 allocation by December
20 31, 2016.

21 “(ii) AVAILABILITY.—Effective on the
22 date of the determination under clause (i),
23 any amounts identified in the determina-
24 tion that were deemed no longer allocated
25 and no longer available to the participating

1 State shall be available to the Secretary to
2 make awards under this paragraph.

3 “(C) APPLICATION.—A participating State
4 desiring to receive an award under this para-
5 graph shall submit an application—

6 “(i) not later than 3 months after the
7 date on which funds are deemed no longer
8 allocated and no longer available to any
9 participating State; and

10 “(ii) in such manner and containing
11 such information as the Secretary may re-
12 quire.

13 “(D) FACTORS.—In determining whether
14 to make an award to a participating State
15 under this paragraph, the Secretary shall con-
16 sider the factors described in paragraph (3)(C).

17 “(E) MINIMUM AMOUNT.—The Secretary
18 may not make an award of less than
19 \$5,000,000 under this paragraph.

20 “(5) COMPLIANCE AND REPORTING REQUIRE-
21 MENTS.—During the period beginning on the date
22 on which a participating State first receives funds
23 under paragraph (2), (3), or (4) and ending on the
24 date that is 8 years after the date of enactment of
25 this subsection, the participating State shall submit

1 quarterly and annual reports containing the infor-
2 mation described in, and in accordance with the
3 deadlines established under, section 3007.

4 “(6) ADMINISTRATION AND IMPLEMENTA-
5 TION.—

6 “(A) ADMINISTRATIVE EXPENSES FOR
7 PARTICIPATING STATES.—A participating State
8 may use not more than 3 percent of the amount
9 made available to the participating State under
10 paragraph (2), (3), or (4) for administrative ex-
11 penses incurred by the participating State in
12 implementing an approved State program.

13 “(B) CONTRACTING.—During the 1-year
14 period beginning on the date of enactment of
15 this subsection, and notwithstanding any other
16 provision of law relating to public contracting,
17 the Secretary may enter into contracts to carry
18 out this subsection.

19 “(C) AMOUNTS NOT ASSISTANCE.—Any
20 amounts transferred to a participating State
21 under paragraph (2), (3), or (4) shall not be
22 considered assistance for purposes of subtitle V
23 of title 31, United States Code.

24 “(D) APPROPRIATION.—There are appro-
25 priated to the Secretary, out of any funds in

the Treasury not otherwise appropriated,
 \$1,500,000,000 to carry out this subsection, in-
 cluding to pay reasonable costs of administering
 the programs under this subsection, to remain
 available until expended.

“(E) TERMINATION OF SECRETARY’S PRO-
 GRAM ADMINISTRATION FUNCTIONS.—The au-
 thorities and duties of the Secretary to imple-
 ment and administer the program under this
 subsection shall terminate at the end of the 8-
 year period beginning on the date of enactment
 of this subsection.”.

SEC. 3. SUPPORT FOR AFFORDABLE HOUSING PROJECTS.

Section 3003(c) of the State Small Business Credit
 Initiative Act of 2010 (12 U.S.C. 5702(c)) is amended—

(1) in paragraph (3)—

(A) by redesignating subparagraphs (C)
 and (D) as subparagraphs (D) and (E), respec-
 tively; and

(B) by inserting after subparagraph (B)
 the following:

“(C) to provide funds to small businesses
 to be used—

“(i) to develop, acquire, construct, re-
 habilitate, maintain, operate, or manage

1 housing projects that provide housing that
2 is affordable for low- or moderate-income
3 households, as determined by the Sec-
4 retary, in consultation with the Secretary
5 of Housing and Urban Development;

6 “(ii) notwithstanding section 220 of
7 the Cranston-Gonzalez National Affordable
8 Housing Act (42 U.S.C. 12750) or any
9 other provision of law, to cover any con-
10 tribution required under such section or
11 any matching amount, contribution
12 amount, or non-Federal share required in
13 connection with any other Federal grant or
14 assistance program to provide housing that
15 is affordable for low- or moderate-income
16 households; or

17 “(iii) for purchasing foreclosed prop-
18 erties and property being sold by a State
19 or local government, but only for the use
20 of such properties for the purposes speci-
21 fied in clause (i) of this subparagraph;”;

22 (2) in paragraph (6)—

23 (A) in subparagraph (A), by striking
24 “and” at the end;

1 (B) in subparagraph (B), by striking the
2 period and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(C) the term ‘small business’ has the
5 meaning given the term ‘small business con-
6 cern’ under section 3(a) of the Small Business
7 Act.”; and

8 (3) by adding at the end the following:

9 “(7) USE OF FUNDS FOR AFFORDABLE HOUS-
10 ING PURPOSES.—With respect to a participating
11 State, of amounts transferred under this section to
12 the State that have not been obligated as of the date
13 of the enactment of this paragraph, the State shall
14 use, at a minimum, the lesser of—

15 “(A) \$2,500,000, and

16 “(B) 10 percent of such unobligated
17 amount,

18 for the purposes described under paragraph
19 (3)(C).”.

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