

114TH CONGRESS
2D SESSION

H. R. 6017

To establish a grant program to provide grants to eligible low-income communities for community development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2016

Mr. RICHMOND (for himself, Mr. MEEKS, Mr. LARSEN of Washington, Mr. PERLMUTTER, Mr. KIND, Mr. HIMES, Ms. SEWELL of Alabama, Miss RICE of New York, and Mr. CARNEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a grant program to provide grants to eligible low-income communities for community development, and for other purposes.

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 “Race to the Job Initia-
5 tive Act”.

1 **SEC. 2. ESTABLISHMENT.**

2 (a) IN GENERAL.—The Secretary of the Treasury
3 shall establish and administer a grant program to provide
4 grants to eligible low-income communities for community
5 development.

6 (b) LIMITATIONS.—

7 (1) NUMBER OF GRANT RECIPIENTS IN FIRST
8 YEAR.—Not later than one year after the date of the
9 enactment of this Act, the Secretary shall select 30
10 eligible low-income communities to receive grants
11 under section 3.

12 (2) NUMBER OF GRANT RECIPIENTS IN SECOND
13 YEAR.—Not later than one year after the date on
14 which the Secretary selects 30 eligible low-income
15 communities under paragraph (1), the Secretary
16 shall select an additional 20 eligible low-income com-
17 munities to receive grants under section 3.

18 (3) GEOGRAPHIC LIMITATION.—The Secretary
19 may not select more than 3 eligible low-income com-
20 munities located in the same State to receive grants
21 under section 3.

22 (c) APPLICATION.—

23 (1) IN GENERAL.—To be selected to receive
24 grants under section 3, an eligible low-income com-
25 munity shall submit an application to the Secretary

1 at such time, in such manner, and containing such
2 information as the Secretary may require.

3 (2) OTHER REQUIREMENTS.—

4 (A) PARTNER COMMUNITY DEVELOPMENT
5 FINANCIAL INSTITUTION.—In an application
6 submitted under this subsection, an eligible low-
7 income community shall specify at least one
8 community development financial institution to
9 receive a capital assistance grant under section
10 4.

11 (B) CONCENTRATED POVERTY.—Each ap-
12 plication under this subsection shall include a
13 description of how the eligible low-income com-
14 munity has experienced concentrated poverty.

15 (C) DEVELOPMENT PROPOSAL.—Each ap-
16 plication under this subsection shall include a
17 description of how the eligible low-income com-
18 munity plans to use the grant funds awarded
19 under section 3 to—

20 (i) improve the economy of the com-
21 munity without displacing residents that
22 reside in the community on the date the
23 application for such grant funds is sub-
24 mitted;

1 (ii) create programs that would ben-
 2 efit disadvantaged populations that reside
 3 in the community;

4 (iii) establish or expand an anchor in-
 5 stitution, as such term is defined under
 6 section 3(1)(B);

7 (iv) identify and target a high-growth
 8 sector of the economy;

9 (v) offer affordable financial services
 10 to the local community; and

11 (vi) identify potential investors to tar-
 12 get for matching funds.

13 (d) PRIORITY.—In awarding grants under section 3,
 14 the Secretary shall give priority to an eligible low-income
 15 community that is experiencing a high poverty rate at the
 16 time the application for such grant is submitted.

17 **SEC. 3. GRANTS TO ELIGIBLE LOW-INCOME COMMUNITIES.**

18 The Secretary shall award to each eligible low-income
 19 community selected under section 2(b) each of the fol-
 20 lowing grants:

21 (1) ANCHOR INSTITUTION GRANTS.—

22 (A) USE OF FUNDS.—

23 (i) IN GENERAL.—Grant funds award-
 24 ed under this paragraph shall be used to

1 establish or expand anchor institutions in
2 the eligible low-income community.

3 (ii) LIMITATION.—Grant funds award-
4 ed under this paragraph may not be used
5 to fund more than 25 percent of the total
6 cost associated with the establishment or
7 expansion of an anchor institution.

8 (iii) JOB TRAINING PROGRAMS.—If
9 grant funds awarded under this paragraph
10 are used to establish or expand an anchor
11 institution in the eligible low-income com-
12 munity that provides job training pro-
13 grams, such funds may only be used to
14 fund job training programs that serve resi-
15 dents of such eligible low-income commu-
16 nity.

17 (B) ANCHOR INSTITUTION DEFINED.—In
18 this paragraph, the term “anchor institution”
19 means hospitals, colleges, research centers, non-
20 profit institutions, and such other institutions
21 the Secretary may specify.

22 (C) AUTHORIZATION OF APPROPRIA-
23 TIONS.—For grants under this paragraph, there
24 is authorized to be appropriated \$100,000,000

for fiscal year 2017, to remain available until expended.

(2) INFRASTRUCTURE GRANTS.—

(A) USE OF FUNDS.—

(i) IN GENERAL.—Grant funds awarded under this paragraph shall be used for public infrastructure improvement projects in the eligible low-income community.

(ii) LIMITATION.—Grant funds awarded under this paragraph may not be used to fund more than 10 percent of the total cost associated with a public infrastructure improvement project.

(B) AUTHORIZATION OF APPROPRIATIONS.—For grants under this paragraph, there is authorized to be appropriated \$200,000,000 for fiscal year 2017, to remain available until expended.

(3) TECHNICAL ASSISTANCE GRANTS.—

(A) IN GENERAL.—Grant funds awarded under this paragraph shall be used to make technical assistance grants.

(B) AUTHORIZATION OF APPROPRIATIONS.—For grants under this paragraph, there is authorized to be appropriated \$20,000,000

1 for fiscal year 2017, to remain available until
2 expended.

3 **SEC. 4. CAPITAL ASSISTANCE GRANTS TO PARTNER COM-**
4 **MUNITY DEVELOPMENT FINANCIAL INSTITU-**
5 **TIONS.**

6 (a) IN GENERAL.—The Secretary shall award a cap-
7 ital assistance grant to each community development fi-
8 nancial institution that is specified in the application of
9 an eligible low-income community selected under section
10 2(b) to receive grants under section 3.

11 (b) USE OF FUNDS.—Grant funds awarded under
12 this section may be used to make loans to, and invest in,
13 businesses, organizations, or public-private partnerships
14 located in the eligible low-income community.

15 (c) AUTHORIZATION OF APPROPRIATIONS.—For
16 grants under this section, there is authorized to be appro-
17 priated \$200,000,000 for fiscal year 2017, to remain
18 available until expended.

19 **SEC. 5. TAX CREDIT FOR COMMUNITY INVESTMENT.**

20 (a) IN GENERAL.—Section 45D of subpart D of part
21 IV of subchapter A of chapter 1 of the Internal Revenue
22 Code of 1986 is amended—

23 (1) by redesignating subsection (i) as subsection
24 (j); and

1 (2) by inserting after subsection (h) the fol-
2 lowing new subsection:

3 “(i) SPECIAL RULES FOR CERTAIN PARTNER COM-
4 MUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—For
5 purposes of this section, in the case of a partner commu-
6 nity development financial institution that is specified in
7 the application of an eligible low-income community se-
8 lected under section 2(b) of the Race to the Job Initiative
9 Act to receive grants under section 3 of such Act—

10 “(1) such institution shall be treated as a quali-
11 fied community development entity without regard to
12 the allocation limitations under subsection (f); and

13 “(2) the term ‘low-income community’ shall
14 mean such eligible low-income community.”.

15 (b) APPLICABILITY.—The amendments made by this
16 section shall apply with respect to a partner community
17 development financial institution that is specified in the
18 application of an eligible low-income community selected
19 by the Secretary under section 2(b) after the date of the
20 enactment of this Act.

21 **SEC. 6. INCREASE IN CDFI AWARD AMOUNTS.**

22 Section 108(d) of the Community Development
23 Banking and Financial Institutions Act of 1994 (12
24 U.S.C. 4704) is amended—

1 (1) in paragraph (1), by inserting after “assist-
 2 ance” the following: “(or, in the case of a commu-
 3 nity development financial institution receiving a
 4 capital assistance grant under section 4 of the Race
 5 to the Job Initiative Act, \$20,000,000)”; and

6 (2) by adding at the end the following:

7 “(4) ANNUAL ASSISTANCE LIMITATION FOR
 8 CERTAIN INSTITUTIONS.—In the case of a commu-
 9 nity development financial institution receiving a
 10 capital assistance grant under section 4 of the Race
 11 to the Job Initiative Act, the Fund may not provide
 12 such community development financial institution
 13 and its subsidiaries and affiliates with more than—

14 “(A) \$10,000,000 in annual financial as-
 15 sistance; and

16 “(B) \$500,000 in annual technical assist-
 17 ance.”.

18 **SEC. 7. DEFINITIONS.**

19 In this Act:

20 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
 21 STITUTION.—The term “community development fi-
 22 nancial institution” has the meaning given such
 23 term in section 103 of the Riegle Community Devel-
 24 opment and Regulatory Improvement Act of 1994
 25 (12 U.S.C. 4702).

1 (2) ELIGIBLE LOW-INCOME COMMUNITY.—The
2 term “eligible low-income community” means a city
3 or county with—

4 (A) a census tract with a poverty rate of
5 at least 30 percent (as determined by the Office
6 of Management and Budget using the most re-
7 cent decennial census for which data are avail-
8 able); and

9 (B) with an unemployment rate that is at
10 least 150 percent of the national average (as
11 determined by the Bureau of Labor Statistics).

12 (3) STATE.—The term “State” means each of
13 the several States, the District of Columbia, and any
14 commonwealth, territory, or possession of the United
15 States.

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