

116TH CONGRESS
2D SESSION

S. 4405

To establish a pilot program to provide grants to nongovernmental entities, including nonprofit organizations and faith-based organizations, to provide economic support in urban areas of the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2020

Mr. VAN HOLLEN introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To establish a pilot program to provide grants to nongovernmental entities, including nonprofit organizations and faith-based organizations, to provide economic support in urban areas of the United States, 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 “Neighborhood Eco-
5 nomic Development and Opportunity Act of 2020”.

1 **SEC. 2. NEIGHBORHOOD ECONOMIC DEVELOPMENT AND**
2 **OPPORTUNITY PILOT PROGRAM.**

3 (a) FINDINGS.—Congress finds that—

4 (1) residents of certain urban communities in
5 the United States have experienced decades-long,
6 complex, and systemic racial, economic, social, and
7 other impediments that prevent the best solutions
8 and equal opportunities for certain urban residents
9 compared to those in outlying communities;

10 (2) the efforts and work of nonprofit and faith-
11 based community organizations are essential to revi-
12 talizing the urban communities referred to in para-
13 graph (1) and delivering meaningful, positive change
14 in people and improvement of physical infrastructure
15 of neighborhoods, resulting in better communities;
16 and

17 (3) cities are in need of immediate and emer-
18 gency action and streamlined delivery of Federal as-
19 sistance through local nonprofit and faith-based or-
20 ganizations within or directly contributing to se-
21 verely distressed urban neighborhoods, especially in
22 areas designated as opportunity zones.

23 (b) DEFINITIONS.—In this section:

24 (1) ELIGIBLE ENTITY.—The term “eligible enti-
25 ty” means a nongovernmental, nonprofit, faith-
26 based, or charitable organization, including a Com-

1 community Development Corporation, or a combination
2 of such organizations, that—

3 (A) is described in section 501(c)(3) of the
4 Internal Revenue Code of 1986 and is exempt
5 from taxation under section 501(a) of that
6 Code; and

7 (B) delivers—

8 (i) services that improve employment
9 skills, promote self-sufficiency and self-em-
10 powerment, and help individuals achieve
11 their full potential through the develop-
12 ment and provision of skills and capacities
13 that promote productive individuals; or

14 (ii) development projects that revi-
15 talize physical infrastructure needed in se-
16 verely distressed urban neighborhoods, es-
17 pecially opportunity zones.

18 (2) FAITH-BASED ORGANIZATION.—The term
19 “faith-based organization” means a nonprofit orga-
20 nization or group of organizations that is affiliated
21 with or composed of congregations or networks of
22 worship organizations that deliver social, human, or
23 community redevelopment services or activities for
24 the purpose of improving the human condition or
25 lives of people.

1 (3) OPPORTUNITY ZONE.—The term “oppor-
 2 tunity zone” has the meaning given the term “quali-
 3 fied opportunity zone” in section 1400Z–1(a) of the
 4 Internal Revenue Code of 1986.

5 (4) REVIEW BOARD.—The term “review board”
 6 means the review board established under subsection
 7 (d)(1).

8 (5) SECRETARY.—The term “Secretary” means
 9 the Secretary of Commerce.

10 (6) SEVERELY DISTRESSED URBAN NEIGHBOR-
 11 HOOD.—The term “severely distressed urban neigh-
 12 borhood” means—

13 (A) an opportunity zone; or

14 (B) an area that has experienced severe
 15 long-term poverty, as determined by the Sec-
 16 retary.

17 (c) NEIGHBORHOOD ECONOMIC DEVELOPMENT AND
 18 OPPORTUNITY PILOT PROGRAM FOR NONPROFIT AND
 19 FAITH-BASED PARTNERSHIPS TO SUPPORT SEVERELY
 20 DISTRESSED URBAN NEIGHBORHOODS.—

21 (1) ESTABLISHMENT.—The Secretary shall es-
 22 tablish a grant program to provide grants to eligible
 23 entities to carry out activities to achieve urban com-
 24 munity revitalization in severely distressed urban
 25 neighborhoods.

1 (2) ELIGIBLE ACTIVITIES.—An eligible entity
2 may use a grant under this section to carry out—

3 (A) a social or economic program that im-
4 proves employment skills, promotes self-suffi-
5 ciency and self-empowerment, or helps individ-
6 uals achieve their full potential through develop-
7 ment and provision of skills and capacities that
8 promote productive individuals; or

9 (B) a development project that revitalizes
10 physical infrastructure in a severely distressed
11 urban neighborhood, in combination with activi-
12 ties described in subparagraph (A).

13 (3) APPLICATIONS.—

14 (A) IN GENERAL.—Not later than 60 days
15 after the date of enactment of this Act, to be
16 eligible to receive a grant under this section, an
17 eligible entity shall submit to the Secretary an
18 application that describes funding needs of the
19 eligible entity, including a description of any
20 funding needed to complete ongoing projects,
21 development plans, and sustainable services for
22 residents in severely distressed urban neighbor-
23 hoods and how that funding will achieve urban
24 community revitalization results with such peo-
25 ple and in neighborhoods.

1 (B) REQUIREMENT.—An application under
2 subparagraph (A) shall—

3 (i) describe the total cost of the activi-
4 ties (including non-Federal contributions)
5 to be carried out with a grant under this
6 section;

7 (ii) describe the amount of non-Fed-
8 eral funds that will be contributed to carry
9 out the activities described in clause (i);

10 (iii) describe the measurable results
11 expected as a result of the activities de-
12 scribed in clause (i); and

13 (iv) include a clear, itemized state-
14 ment that demonstrates how the activities
15 described in clause (i) will achieve the
16 goals of—

17 (I) restoring communities—

18 (aa) by bettering people
19 through building core personal
20 attributes needed for successful,
21 functioning communities and in-
22 dividuals, including by improving
23 skills, character, and economic
24 productive capacity of individ-
25 uals; and

1 (bb) by building economi-
 2 cally translatable skills; and
 3 (II) improving severely distressed
 4 urban neighborhoods through com-
 5 prehensive development projects that
 6 revitalize physical infrastructure in
 7 such neighborhoods.

8 (4) GRANT REQUIREMENTS.—

9 (A) TOTAL COST OF ACTIVITIES.—The
 10 total cost of activities carried out with a grant
 11 under this section (including non-Federal con-
 12 tributions) shall be—

13 (i) not less than \$2,500,000; and

14 (ii) not more than \$50,000,000.

15 (B) NON-FEDERAL SHARE.—The non-Fed-
 16 eral share of the cost of activities carried out
 17 with a grant under this section shall be not less
 18 than 5 percent.

19 (d) REVIEW BOARD.—

20 (1) IN GENERAL.—The Secretary shall establish
 21 a review board to review and evaluate applications
 22 for grants under this section.

23 (2) COMPOSITION.—

24 (A) IN GENERAL.—The review board shall
 25 be composed of 9 members, of which—

1 (i) one shall be the Secretary (or a
2 designee);

3 (ii) two shall be appointed by the
4 President;

5 (iii) two shall be appointed by the
6 Speaker of the House of Representatives;

7 (iv) one shall be appointed by the mi-
8 nority leader of the House of Representa-
9 tives;

10 (v) two shall be appointed by the ma-
11 jority leader of the Senate; and

12 (vi) one shall be appointed by the mi-
13 nority leader of the Senate.

14 (B) DEADLINE FOR APPOINTMENT.—Mem-
15 bers of the review board shall be appointed not
16 later than the date that is 30 days after the
17 date of enactment of this Act.

18 (3) DUTIES.—

19 (A) IN GENERAL.—The review board
20 shall—

21 (i) review, evaluate, and rank applica-
22 tions for grants under this section; and

23 (ii) not later than 120 days after the
24 date of enactment of this Act, submit to
25 the Secretary the priority list under sub-

1 paragraph (C)(ii) for consideration in the
2 final selection of grant recipients by the
3 Secretary.

4 (B) EVALUATION.—

5 (i) IN GENERAL.—The review board
6 shall evaluate each application received
7 under this section based on the following
8 criteria:

9 (I) The extent of existing poverty
10 and crime issues in the severely dis-
11 tressed urban neighborhood.

12 (II) The likelihood that activities
13 proposed to be carried out with a
14 grant under this section will achieve
15 the goals described in subsection
16 (c)(3)(B)(iv).

17 (III) The support for the applica-
18 tion, as demonstrated through mean-
19 ingful, substantive roles of one or
20 more Federal, State, or local govern-
21 ment and one or more private, non-
22 governmental entity in carrying out
23 the proposed activities.

24 (IV) The proportion of non-Fed-
25 eral funds contributed to carry out

1 the activities described in the applica-
2 tion, including private, State, local,
3 and other sources of funds, with a
4 preference given to those applications
5 that commit a larger non-Federal
6 share.

7 (V) The demonstrated success of
8 the eligible entity in providing services
9 or projects in the severely distressed
10 urban neighborhood.

11 (VI) The management and ad-
12 ministrative capacity of the eligible
13 entity to carry out the activities.

14 (VII) The accountability meas-
15 ures proposed in the application, such
16 as metered release of Federal funds,
17 audits, transparency measures, public
18 disclosure, and third-party reviews to
19 ensure funding is spent as budgeted
20 and results are measured, reported,
21 and shared.

22 (ii) PRIORITY.—In evaluating applica-
23 tions under this section, the review board
24 shall give priority—

1 (I) to applications that reflect di-
2 rect community neighborhood input;
3 and

4 (II) to applications from eligible
5 entities that are based in the commu-
6 nity served by the eligible entity.

7 (C) RANKINGS.—

8 (i) IN GENERAL.—Based on the eval-
9 uations under subparagraph (B)—

10 (I) the review board shall deter-
11 mine which applications meet the re-
12 quirements of this section;

13 (II) each member of the review
14 board shall provide a score for each
15 application described in subclause (I)
16 on a scale of 0 to 100;

17 (III) for each application that is
18 scored, the scores of each member
19 shall be averaged to create an average
20 score for the application; and

21 (IV) the applications shall be list-
22 ed by average score in the applicable
23 category on the priority list under
24 clause (ii).

1 (ii) PRIORITY LIST.—The review
 2 board shall develop a priority list that in-
 3 cludes each application that receives a
 4 score under clause (i), in the following cat-
 5 egories:

6 (I) Applications with a total cost
 7 (including non-Federal contributions)
 8 of \$10,000,000 or less, from the high-
 9 est average score to the lowest aver-
 10 age score of those applications.

11 (II) Applications with a total cost
 12 (including non-Federal contributions)
 13 of more than \$10,000,000, from the
 14 highest average score to the lowest av-
 15 erage score of those applications.

16 (4) STAFF.—

17 (A) IN GENERAL.—The review board may
 18 hire temporary staff to support the review
 19 board in carrying out the duties of the review
 20 board under paragraph (3).

21 (B) FUNDING.—The review board may use
 22 not more than \$1,000,000 of the amounts made
 23 available to carry out this section for staff sala-
 24 ries and expenses under subparagraph (A).

25 (5) TERMINATION.—

1 (A) IN GENERAL.—Subject to subpara-
 2 graph (B), the review board shall terminate on
 3 the date on which the Secretary has selected all
 4 grant recipients under this section and section
 5 3.

6 (B) EXTENSION.—The Secretary may
 7 grant the review board not more than 1 exten-
 8 sion of not more than 180 days, if the Sec-
 9 retary determines an extension to be necessary.

10 (e) SELECTION AND DISTRIBUTION.—

11 (1) INITIAL GRANTS.—

12 (A) IN GENERAL.—Not later than 60 days
 13 after the date on which the review board sub-
 14 mits the priority list to the Secretary under
 15 subsection (d)(3)(A)(ii), the Secretary shall se-
 16 lect 12 applications to receive grants under this
 17 section, after taking into consideration the pri-
 18 ority list.

19 (B) REGIONAL SELECTION.—The applica-
 20 tions selected under subparagraph (A) shall in-
 21 clude 2 applications from each region served by
 22 an Economic Development Administration re-
 23 gional office.

24 (C) DISTRIBUTION.—Of the amounts made
 25 available to carry out this section—

(i) not less than \$200,000,000 shall be used to provide grants for applications on the priority list under the category described in subsection (d)(3)(C)(ii)(I), with priority given to providing full funding to the applications that received the highest rankings; and

(ii) not less than \$300,000,000 shall be used to provide grants for applications on the priority list under the category described in subsection (d)(3)(C)(ii)(II), with priority given to providing full funding to the applications that received the highest rankings.

(2) ADDITIONAL SELECTIONS.—

(A) IN GENERAL.—Not later than 60 days after the date on which the review board submits the priority list to the Secretary under subsection (d)(3)(A)(ii), after providing 12 grants in accordance with paragraph (1), the Secretary shall use any remaining amounts to provide grants as described in subparagraph (B).

(B) SELECTIONS.—In making selections under subparagraph (A), the Secretary shall—

1 (i) select to receive grant applications
2 that were not selected to receive grants
3 under paragraph (3);

4 (ii) give priority consideration to the
5 highest ranked applications remaining in
6 the category described in subsection
7 (d)(3)(C)(ii)(I) or the category described in
8 subsection (d)(3)(C)(ii)(II), as applicable;
9 and

10 (iii) consider equitable regional dis-
11 tribution.

12 (3) MULTIPLE DISBURSEMENTS.—The Sec-
13 retary may provide a grant under this section in
14 multiple disbursements, with subsequent disburse-
15 ments contingent on a report to the Secretary by the
16 eligible entity that demonstrates that the previous
17 disbursement was—

18 (A) expended consistent with this section
19 and all applicable Federal laws; and

20 (B) free of fraud, waste, and excessive
21 spending, as verified to the satisfaction of the
22 Secretary.

23 (f) COORDINATION.—In providing grants under this
24 section, the Secretary may coordinate with the heads of

1 other Federal agencies to ensure the best implementation
2 of this section.

3 (g) REPORTS.—

4 (1) REPORTS BY GRANT RECIPIENTS.—

5 (A) ACCOUNTING.—Not later than 20 days
6 after the end of each quarter, beginning with
7 the first full quarter after grant funds are dis-
8 bursed, until the grant funds are expended,
9 each eligible entity that receives a grant under
10 this section shall submit to the Secretary a re-
11 port that—

12 (i) details the expenditures made for
13 each activity carried out with the grant
14 funds; and

15 (ii) certifies that the expenditures
16 were used to carry out the activities de-
17 scribed in the application of the eligible en-
18 tity.

19 (B) FINAL REPORT.—Not later than 1
20 year after the date on which the activities car-
21 ried out with a grant under this section have
22 been completed, the eligible entity shall submit
23 to the Secretary a report that describes—

24 (i) the results and effectiveness of the
25 grant in carrying out those activities; and

1 (ii) improvements to communities,
2 jobs created, and other factors that have
3 contributed to community improvement in
4 the severely distressed urban neighborhood
5 as a result of those activities.

6 (2) REPORTS BY SECRETARY.—Not later than
7 1 year after the date on which the amounts made
8 available under subsection (h) have been disbursed
9 for grants under this section, the Secretary shall
10 submit to the Committee on Commerce, Science, and
11 Transportation of the Senate and the Committee on
12 Energy and Commerce of the House of Representa-
13 tives a report that evaluates the program under this
14 section, including an evaluation of—

15 (A) the quality of the grant applications;
16 and

17 (B) the outcomes and impacts of the
18 projects and activities carried out with a grant,
19 including health outcomes and the impact on
20 determining characteristics of severely dis-
21 tressed urban neighborhoods.

22 (h) FUNDING.—

23 (1) IN GENERAL.—There is appropriated, out
24 of amounts in the Treasury not otherwise appro-

1 priated, to the Secretary to carry out this section
 2 \$600,000,000, to remain available until expended.

3 (2) EMERGENCY DESIGNATION.—

4 (A) IN GENERAL.—The amounts provided
 5 by paragraph (1) are designated as an emer-
 6 gency requirement pursuant to section 4(g) of
 7 the Statutory Pay-As-You-Go Act of 2010 (2
 8 U.S.C. 933(g)).

9 (B) DESIGNATION IN SENATE.—In the
 10 Senate, this section is designated as an emer-
 11 gency requirement pursuant to section 4112(a)
 12 of H. Con. Res. 71 (115th Congress), the con-
 13 current resolution on the budget for fiscal year
 14 2018.

15 **SEC. 3. BALTIMORE NEIGHBORHOOD ECONOMIC DEVELOP-**
 16 **MENT AND OPPORTUNITY INITIATIVE.**

17 (a) DEFINITIONS.—In this section:

18 (1) CITY.—The term “City” means the City of
 19 Baltimore, Maryland.

20 (2) ELIGIBLE ENTITY.—The term “eligible enti-
 21 ty” means—

22 (A) an eligible entity (as defined in section
 23 2(b)) that is located in or serves the City;

24 (B) the City; or

25 (C) the State of Maryland.

1 (3) REVIEW BOARD.—The term “review board”
2 means the review board established under section
3 2(d)(1).

4 (4) SECRETARY.—The term “Secretary” means
5 the Secretary of Commerce.

6 (5) SEVERELY DISTRESSED URBAN NEIGHBOR-
7 HOOD.—The term “severely distressed urban neigh-
8 borhood” has the meaning given the term in section
9 2(b).

10 (b) ESTABLISHMENT.—The Secretary may provide
11 grants to eligible entities to carry out activities to achieve
12 urban community revitalization in severely distressed
13 urban neighborhoods in the City.

14 (c) ELIGIBLE ACTIVITIES.—An eligible entity may
15 use a grant under this section to carry out—

16 (1) a social or economic program that improves
17 skills, character, or productive capacity of individ-
18 uals that reside in a severely distressed urban neigh-
19 borhood in the City; or

20 (2) a development project that revitalizes phys-
21 ical infrastructure in a severely distressed urban
22 neighborhood in the City, in combination with activi-
23 ties described in paragraph (1).

24 (d) APPLICATIONS.—Not later than 60 days after the
25 date of enactment of this Act, to be eligible to receive a

1 grant under this section, an eligible entity shall submit
 2 to the Secretary an application that describes funding
 3 needs of the eligible entity, including a description of any
 4 funding needed to complete ongoing projects, development
 5 plans, and sustainable services for residents in severely
 6 distressed urban neighborhoods in the City and how that
 7 funding will achieve urban community revitalization re-
 8 sults with such people and in such neighborhoods.

9 (e) GRANT REQUIREMENTS.—

10 (1) TOTAL COST OF ACTIVITIES.—The total
 11 cost of activities carried out with a grant under this
 12 section (including non-Federal contributions) shall
 13 be—

14 (A) not less than \$2,500,000; and

15 (B) not more than \$50,000,000.

16 (2) NON-FEDERAL SHARE.—The non-Federal
 17 share of the cost of activities carried out with a
 18 grant under this section shall be not less than 5 per-
 19 cent.

20 (f) RANKING BY REVIEW BOARD.—The review board
 21 shall—

22 (1) review, evaluate, and rank the applications
 23 received under this section in accordance with the
 24 procedures and requirements described in section
 25 2(d)(3), except that the review board shall only de-

1 velop 1 priority list for applications under this sec-
2 tion; and

3 (2) not later than 120 days after the date of
4 enactment of this Act, submit to the Secretary the
5 priority list for the applications received under this
6 section for consideration by the Secretary in select-
7 ing grant recipients under this section.

8 (g) SELECTION.—

9 (1) IN GENERAL.—Not later than 60 days after
10 the date on which the review board submits the pri-
11 ority list to the Secretary under subsection (f)(2),
12 the Secretary shall select eligible entities to receive
13 grants under this section.

14 (2) PRIORITY; CONSIDERATION.—In providing
15 grants under this section, the Secretary shall—

16 (A) give priority to providing full funding
17 to the applications that received the highest
18 rankings from the review board;

19 (B) consider equitable regional distribution
20 of grants in all areas of the City; and

21 (C) give priority—

22 (i) to applications that reflect direct
23 community neighborhood input; and

1 (ii) to applications from eligible enti-
2 ties that are based in the community
3 served by the eligible entity.

4 (h) COORDINATION.—In providing grants under this
5 section, the Secretary may coordinate with the heads of
6 other Federal agencies and the Mayor of the City (or a
7 designee) to ensure the best implementation of this sec-
8 tion.

9 (i) REPORTS.—

10 (1) ACCOUNTING.—Not later than 20 days
11 after the end of each quarter, beginning with the
12 first full quarter after the grant funds are disbursed,
13 until the grant funds are expended, each eligible en-
14 tity that receives a grant under this section shall
15 submit to the Secretary a report that—

16 (A) details the expenditures made for each
17 activity carried out with the grant funds; and

18 (B) certifies that the expenditures were
19 used to carry out the activities described in the
20 application of the eligible entity.

21 (2) FINAL REPORT.—Not later than 1 year
22 after the date on which the activities carried out
23 with a grant under this section have been completed,
24 the eligible entity shall submit to the Secretary a
25 short report that describes—

1 (A) the results and effectiveness of the
2 grant in carrying out those activities; and

3 (B) improvements to communities, jobs
4 created, and other factors that have contributed
5 to community improvement in the severely dis-
6 tressed urban neighborhood in the City as a re-
7 sult of those activities.

8 (j) FUNDING.—

9 (1) IN GENERAL.—There is appropriated, out
10 of amounts in the Treasury not otherwise appro-
11 priated, to the Secretary to carry out this section
12 \$200,000,000, to remain available until expended.

13 (2) EMERGENCY DESIGNATION.—

14 (A) IN GENERAL.—The amounts provided
15 by paragraph (1) are designated as an emer-
16 gency requirement pursuant to section 4(g) of
17 the Statutory Pay-As-You-Go Act of 2010 (2
18 U.S.C. 933(g)).

19 (B) DESIGNATION IN SENATE.—In the
20 Senate, this section is designated as an emer-
21 gency requirement pursuant to section 4112(a)
22 of H. Con. Res. 71 (115th Congress), the con-
23 current resolution on the budget for fiscal year
24 2018.

○