

HOUSE No. 210

The Commonwealth of Massachusetts

PRESENTED BY:
Steven M. Walsh

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:
An Act to Strengthen Community Development in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
David M. Torrissi	14th Essex
Todd M. Smola	1st Hampden
John P. Fresolo	16th Worcester
Sean Garballey	23rd Middlesex
Christopher J. Donelan	2nd Franklin
Barry R. Finegold	17th Essex
William Lantigua	16th Essex
Timothy J. Toomey, Jr.	26th Middlesex
Denise Provost	27th Middlesex
Paul McMurtry	11th Norfolk
Stephen Kulik	1st Franklin
Jeffrey Sánchez	15th Suffolk
Denis E. Guyer	2nd Berkshire
William Lantigua	16th Essex
Jonathan Hecht	29th Middlesex
William N. Brownsberger	24th Middlesex
Peter J. Koutoujian	10th Middlesex

The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine
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AN ACT TO STRENGTHEN COMMUNITY DEVELOPMENT IN THE COMMONWEALTH.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 40F Section 1 of the Massachusetts General Laws is hereby amended by replacing the words “to carry out certain public purposes and with by-laws providing that,” with “to carry out the purposes of this Chapter and meet the following criteria,” in the definition for “Community Development Corporation” and by replacing items (1) through (6) inclusive in the definition for “Community Development Corporation” with the following:

- (1) The organization must be a non profit organization organized under Chapter 180 of the General Laws.
- (2) The organization must be designated as a 501c3 tax-exempt organization by the U.S. Internal Revenue Service.
- (3) The organization must focus a substantial majority of its efforts on serving one or more specific neighborhoods or municipalities or serving a region of the Commonwealth or serving a constituency that is economically disadvantaged.
- (4) A primary purpose of the organization is to engage local residents and businesses to work together to undertake community development programs, projects and activities which develop and improve urban, rural and suburban communities in sustainable ways that create and expand economic opportunities for low and moderate income people.
- (5) The organization must be able to demonstrate to the Department that the organization's constituency, including low and moderate income people, is meaningfully represented on

the board of directors of the organization. In making such determination, the Department shall consider the following criteria (a) the percentage, if any, of the board is elected by the general membership; (b) the percentage of the board members are residents of the service area; (c) the percentage of board members that are people of low or moderate income, (d) the racial and ethnic composition of the board in comparison to the racial and ethnic composition of the community being served, (e) other mechanisms, including committees, membership meetings, and others that the organization uses to ensure that their constituency has a meaningful role in the governance and direction of the organization, and (f) other criteria as determined by the Department.

SECTION 2. Chapter 40F of the Massachusetts General Laws is hereby amended by inserting a new Section 1A that says the following:

The purpose of this Chapter is to create, develop and sustain economically and ethnically diverse communities in urban, rural and suburban areas of the Commonwealth where low and moderate income people have access to a full range of economic opportunities and have the opportunity to work together through community development corporations, as defined herein, to initiate and implement programs, projects and activities designed to improve their communities and expand opportunities for low and moderate income people.

SECTION 3. Chapter 40F of the Massachusetts General Laws is hereby amended by inserting a new Section 1B that says the following:

- (a) The Department shall establish and maintain a list of organizations that have been certified as Community Development Corporations consistent with this Chapter and develop a process for certifying said organizations, provided further that said organizations must be recertified at least once every four years.
- (b) The Secretary of Housing and Economic Development shall file an annual report on December 15 of each year to the Speaker of the House of Representatives, the President of the Senate, the Chairs of the House and Senate Ways & Means

Committees, the Chairs of the Joint Committee on Housing, and the Chairs of the Joint Committee on Community Development and Small Business detailing the following:

- a. A list of certified CDCs in the Commonwealth;
- b. A summary of any programs, initiatives or partnerships operated by the Executive Office of Housing and Economic Development, its agencies and any quasi public agencies organized under the Executive Office, that are designed to build the capacity of CDCs, provide training or technical assistance to CDC employees or board members, provide funding to support CDCs and their programs, projects and initiatives, and otherwise help CDCs advance the purposes of this Chapter.
- c. Recommendations, if any, for action that would enhance the ability of CDCs to advance the purposes of this Chapter.

SECTION 4. Section 6 of chapter 324 of the acts of 1987 is hereby repealed.

SECTION 5. Chapter 324 of the acts of 1987 is hereby amended by striking out the words "Section 7" and inserting in place thereof the following:- Section 6

SECTION 6. Chapter 324 of the acts of 1987 is further amended by striking out the words "Section 7A" and inserting in place thereof the following:- Section 7

SECTION 7. Chapter 324 of the acts of 1987 is further amended by striking out the words "Section 7B" and inserting in place thereof the following:- Section 8

SECTION 8. Section 8 of chapter 324 of the acts of 1987, as most recently amended by section 302 of chapter 159 of the acts of 2000, is hereby repealed.