

HOUSE No.

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:
Steven M. Walsh	11th Essex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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:

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

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7 (1) The organization must be a non profit organization organized under Chapter 180 of the General
8 Laws.

9 (2) The organization must be designated as a 501c3 tax-exempt organization by the U.S. Internal
10 Revenue Service.

11 (3) The organization must focus a substantial majority of its efforts on serving one or more specific
12 neighborhoods or municipalities or serving a region of the Commonwealth or serving a constituency
13 that is economically disadvantaged.

- 14 (4) A primary purpose of the organization is to engage local residents and businesses to work together to
15 undertake community development programs, projects and activities which develop and improve
16 urban, rural and suburban communities in sustainable ways that create and expand economic
17 opportunities for low and moderate income people.
- 18 (5) The organization must be able to demonstrate to the Department that the organization's
19 constituency, including low and moderate income people, is meaningfully represented on the board
20 of directors of the organization. In making such determination, the Department shall consider the
21 following criteria (a) the percentage, if any, of the board is elected by the general membership; (b) the
22 percentage of the board members are residents of the service area; (c) the percentage of board
23 members that are people of low or moderate income, (d) the racial and ethnic composition of the
24 board in comparison to the racial and ethnic composition of the community being served, (e) other
25 mechanisms, including committees, membership meetings, and others that the organization uses to
26 ensure that their constituency has a meaningful role in the governance and direction of the
27 organization, and (f) other criteria as determined by the Department.

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30 SECTION 2. Chapter 40F of the Massachusetts General Laws is hereby amended by inserting a new Section
31 1A that says the following:

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

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41 SECTION 3. Chapter 40F of the Massachusetts General Laws is hereby amended by inserting a new Section
42 1B that says the following:

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44 (a) The Department shall establish and maintain a list of organizations that have been certified as
45 Community Development Corporations consistent with this Chapter and develop a process for
46 certifying said organizations, provided further that said organizations must be recertified at least once
47 every four years.

48 (b) The Secretary of Housing and Economic Development shall file an annual report on December 15
49 of each year to the Speaker of the House of Representatives, the President of the Senate, the Chairs
50 of the House and Senate Ways & Means Committees, the Chairs of the Joint Committee on
51 Housing, and the Chairs of the Joint Committee on Community Development and Small Business
52 detailing the following:

53 a. A list of certified CDCs in the Commonwealth;

54 b. A summary of any programs, initiatives or partnerships operated by the Executive Office of
55 Housing and Economic Development, its agencies and any quasi public agencies organized
56 under the Executive Office, that are designed to build the capacity of CDCs, provide training or
57 technical assistance to CDC employees or board members, provide funding to support CDCs
58 and their programs, projects and initiatives, and otherwise help CDCs advance the purposes of
59 this Chapter.

60 c. Recommendations, if any, for action that would enhance the ability of CDCs to advance the
61 purposes of this Chapter.

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

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

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

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

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