

**HOUSE . . . . . No. 210**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand 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:*

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

6           The organization must be a non profit organization organized under Chapter 180 of the  
7 General Laws.

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

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

13           A primary purpose of the organization is to engage local residents and businesses to work  
14 together to undertake community development programs, projects and activities which develop  
15 and improve urban, rural and suburban communities in sustainable ways that create and expand  
16 economic opportunities for low and moderate income people.

17           The organization must be able to demonstrate to the Department that the organization's  
18 constituency, including low and moderate income people, is meaningfully represented on the  
19 board of directors of the organization. In making such determination, the Department shall  
20 consider the following criteria (a) the percentage, if any, of the board is elected by the general  
21 membership; (b) the percentage of the board members are residents of the service area; (c) the  
22 percentage of board members that are people of low or moderate income, (d) the racial and  
23 ethnic composition of the board in comparison to the racial and ethnic composition of the  
24 community being served, (e) other mechanisms, including committees, membership meetings,  
25 and others that the organization uses to ensure that their constituency has a meaningful role in the  
26 governance and direction of the organization, and (f) other criteria as determined by the  
27 Department.

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

30           The purpose of this Chapter is to create, develop and sustain economically and ethnically  
31 diverse communities in urban, rural and suburban areas of the Commonwealth where low and  
32 moderate income people have access to a full range of economic opportunities and have the  
33 opportunity to work together through community development corporations, as defined herein, to

34 initiate and implement programs, projects and activities designed to improve their communities  
35 and expand opportunities for low and moderate income people.

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

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

42 The Secretary of Housing and Economic Development shall file an annual report on  
43 December 15 of each year to the Speaker of the House of Representatives, the President of the  
44 Senate, the Chairs of the House and Senate Ways & Means Committees, the Chairs of the Joint  
45 Committee on Housing, and the Chairs of the Joint Committee on Community Development and  
46 Small Business detailing the following:

47 A list of certified CDCs in the Commonwealth;

48 A summary of any programs, initiatives or partnerships operated by the Executive Office  
49 of Housing and Economic Development, its agencies and any quasi public agencies organized  
50 under the Executive Office, that are designed to build the capacity of CDCs, provide training or  
51 technical assistance to CDC employees or board members, provide funding to support CDCs and  
52 their programs, projects and initiatives, and otherwise help CDCs advance the purposes of this  
53 Chapter.

54           Recommendations, if any, for action that would enhance the ability of CDCs to advance  
55 the purposes of this Chapter.

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

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

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

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

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