

SENATE No. 89

The Commonwealth of Massachusetts

In the Year Two Thousand 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
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.