

# ***MACDC's Campaign for Our Neighborhoods***

## **Enact a Community Development Partnership Tax Credit**

### **Neighborhoods and Communities Are in Crisis**

- Today's economic crisis is impacting families, neighborhoods and entire communities in unprecedented ways.
- Community based nonprofits are seeing dramatic increases in the demand for their broad array of local programs targeted to community needs, especially from homeowners struggling to save their homes, tenants facing eviction, and small businesses struggling to survive the recession.
- The programs- ranging from support for families and small businesses, to workforce training and asset development, to foreclosure prevention and lead paint abatement, to community planning and crime prevention - are constrained by lack of adequate stable funding, placing these badly needed community programs in jeopardy.
- Massachusetts is falling behind more than a dozen other states and municipalities that have enacted successful programs to provide a combination of public and private funding to targeted community development activities.
- We need a long term strategy for helping community based non profits address local challenges and build long term sustainable economic opportunity.

### **The Community Development Partnership Tax Credit Will Engage Joint Public/ Private Support to Foster Long Term Recovery**

MACDC supports the passage of *An Act to Create the Community Development Partnership Program* (S. 1229) filed by Senator Harriette Chandler and Representative Steven Walsh, to establish a \$10 million tax credit annually for five years, which allows corporate and individual taxpayers to receive an 80% tax credit for investment in a state-certified community development program or initiative run by a local community based organization.

1. A community organization is eligible to receive an investment if it is a nonprofit organization whose mission is to engage in community development to benefit low and moderate income (LMI) families, has meaningful representation from local residents on its board, has been in existence for at least 2 years, and can demonstrate the capacity to run a successful community investment program.
2. The Department of Housing and Community Development (DHCD) will use a competitive selection process to select a limited number of high quality programs that meet the statute's criteria that will be eligible to use the credits to attract investments. Only \$10 million in credits will be available each year.
3. Contributions from individuals or businesses can range from \$5,000 to \$500,000 per year. No community partner may receive more than \$200,000 per year in investments. Investments may not be used to cover the direct capital costs of a project - for example land acquisition or project construction costs.

This program will promote excellence in community development by ensuring long term stable funding and fostering partnerships between the private sector and local community groups.

### **Pass An Act to Create the Community Development Partnership Program (S. 1229)**

**MACDC**

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