

The Community Development Partnership Act

**Promote economic recovery across the Commonwealth
through community led initiatives**

Urban, rural, and suburban communities throughout the Commonwealth are facing serious challenges in the economic recession. Many are struggling to recover from high rates of foreclosures and unemployment. The solutions will be different for each neighborhood and each community, led by local citizens who understand their community's unique set of challenges, assets, and opportunities. Residents, businesses and local elected officials are working to develop locally-tailored, market-based strategies for rebuilding housing markets, reducing blight, expanding local business activity and increasing access to jobs for local residents. To do this effectively, they use their local Community Development Corporation. Since 2003, Massachusetts-based community development corporations (CDCs) have pursued such strategies effectively by creating or preserving over 9,000 homes and 14,000 jobs, while supporting more than 8,000 businesses and 160,000 families. In total, CDCs have generated nearly \$2 billion of economic activity over the past eight years.

The Community Development Partnership Act, sponsored by Representative Linda Dorcena Forry and Senator Sal DiDomenico and 46 co-sponsors, will support community led economic development initiatives through a strategic, market-based approach that leverages private contributions and builds strong local partnerships.

Leverage private investment in community and economic development

- State-certified CDCs (as defined in MGL Chapter 40H) will develop high quality, multi-year business plans for community improvement and economic development.
- These plans will detail how local residents and businesses helped to craft the strategy, how it will improve the community and expand opportunity within a comprehensive framework, and how it will leverage federal and private resources.
- The Executive Office of Housing and Economic Development, through the DHCD, will rank the plans to identify those most effective in meeting local and state-wide goals for community economic development. A percentage of the tax credits will be allocated for rural areas and Gateway Cities.
- The strongest plans would be awarded up to \$150,000 in state tax credits per year for three years that the local CDC would use to attract up to \$300,000 in private investment each year.
- Investors would invest in the CDC's business plan, thereby providing flexible working capital that can be used to seed new programs, fill funding gaps, leverage other resources and achieve maximum impact.
- Oversight would be shared by DHCD and the private investors, with CDCs submitting annual progress reports to DHCD that would be available to the legislature and the public.
- The Act would limit the tax credits and delay implementation so that the cost to the Commonwealth would be \$2 million in FY 2014, \$4 million in 2015, and \$6 million in 2016 and thereafter.

Support (H.3707/S.1427) The Community Development Partnership Act

MACDC

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

15 Court Square, Suite 600 | Boston, MA 02108
tel: 617.426.0303 | fax: 617.426.0344 | www.macdc.org

For more information contact Allison Staton at 617/426-0303 Ext. 24 or allisons@macdc.org

Legislative Sponsors of *The Community Development Partnership Act*

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