

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS55192-LM-88 (02/27)

Short Title: Rural Economic Developmt. Center/Funds. (Public)

Sponsors: Senator Jones.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE RURAL ECONOMIC DEVELOPMENT CENTER, INC., TO EXPAND THE COMMUNITY DEVELOPMENT CORPORATIONS GRANTS PROGRAM.

Whereas, since 1988, the State has appropriated funds to the Rural Economic Development Center, Inc., to provide financial and technical assistance to new and emerging minority community development corporations to build capacity and grow their services, including business loans, revitalization of commercial districts, low-income and moderate-income housing, child care, youth development programs, job training, long-term community planning, and other activities; and

Whereas, the Community Development Corporations grants program has grown to include at least 27 corporations each year resulting in a reduction in funds available for each organization; and

Whereas, funding provided through the Community Development Corporations grants program has been critical to the success and survival of these organizations by providing them with needed assistance with organizational, business, commercial real estate, and housing development activities; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1.(a) For purposes of this section, the term "community development corporation" means a nonprofit corporation:

- (1) Chartered pursuant to Chapter 55A of the General Statutes;
- (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code of 1986;
- (3) Whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development;

- 1 (4) Whose activities and decisions are initiated, managed, and controlled
2 by the constituents of those local communities; and
3 (5) Whose primary function is to act as deal maker and packager of
4 projects and activities that will increase their constituencies'
5 opportunities to become owners, managers, and producers of small
6 businesses, affordable housing, and jobs designed to produce positive
7 cash flow and curb blight in the targeted community.

8 **SECTION 1.(b)** There is appropriated from the General Fund to the Rural
9 Economic Development Center, Inc., the sum of two million five hundred ninety-seven
10 thousand four hundred ten dollars (\$2,597,410) for the 2007-2008 fiscal year and the
11 sum of two million five hundred ninety-seven thousand four hundred ten dollars
12 (\$2,597,410) for the 2008-2009 fiscal year to be allocated as follows:

- 13 (1) \$2,547,410 in each fiscal year for community development grants to
14 support development projects and activities within the State's minority
15 communities. Any new or previously funded community development
16 corporation as defined in this section is eligible to apply for funds. The
17 Rural Economic Development Center, Inc., shall establish
18 performance-based criteria for determining which community
19 development corporation will receive a grant and the grant amount.
20 The Rural Economic Development Center, Inc., shall allocate these
21 funds as follows:
22 a. \$2,347,410 for direct grants to local community development
23 corporations to support operations and project activities.
24 b. \$200,000 for direct technical assistance to help community
25 development corporations implement high impact projects.
26 (2) \$50,000 in each fiscal year to the Rural Economic Development
27 Center, Inc., to be used to cover expenses in administering this section.

28 **SECTION 2.** This act becomes effective July 1, 2007.