

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 1786

Short Title: Community Economic Development Funds. (Public)

Sponsors: Representatives Wainwright, Hall (Primary Sponsors); Dockham, Faison, Gill, Harrison, Hughes, and Pierce.

Referred to: Commerce, Small Business, and Entrepreneurship, if favorable, Appropriations.

May 19, 2010

A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE FUNDS TO COMMUNITY INSTITUTIONS TO ASSIST
SMALL FARMERS AND RURAL LANDOWNERS, SUPPORT ECONOMIC
DEVELOPMENT ACTIVITIES IN MINORITY NEIGHBORHOODS AND
COMMUNITIES, ASSIST MINORITY- AND WOMEN-OWNED BUSINESSES, AND
PROVIDE ACCESS TO AFFORDABLE FINANCE SERVICES AND
ASSET-BUILDING OPPORTUNITIES STATEWIDE.

Whereas, the General Assembly finds record levels of decline in new housing starts, rising unemployment, and tightened credit markets leading to an unprecedented economic crisis for ever-increasing numbers of North Carolinians; and

Whereas, North Carolina has invested in a network of statewide organizations that provide assistance with accessing economic opportunities for individual and community-based efforts across the State; and

Whereas, these organizations have a proven track record and have demonstrated the ability, in the past, to quickly and flexibly deploy public and private resources to support community building throughout the State; and

Whereas, these organizations are ready to respond to recovery initiatives, prioritized by the State, to offset the housing and economic disaster the State is now experiencing; and

Whereas, continued State support of this network of organizations will achieve the following purposes:

- (1) To preserve and create jobs and promote economic recovery;
- (2) To assist those most impacted by the recession;
- (3) To provide investments needed to increase economic efficiency in spurring small business and community-based economic development, especially through the use of green technologies;
- (4) To invest in environmental protection, housing and sustainable economic development, and other State infrastructure that will provide long-term economic benefits; and
- (5) To stabilize home values and municipal tax bases in order to minimize and avoid reductions in essential services and counterproductive State and local tax increases; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated from the General Fund to the Department of Commerce the sum of fifty-five thousand five hundred eighty dollars (\$55,580) for the 2010-2011 fiscal year to be allocated to the Land Loss Prevention Project for the purpose of continuing expansion of legal representation to financially distressed small farmers and to rural



1 landowners in underserved tobacco-dependent communities. The Land Loss Prevention Project
2 shall not use these funds to represent farmers who have income and assets that would make
3 them financially ineligible for legal services under Part 1611 of Title 45 of the U. S. Code of
4 Federal Regulations.

5 **SECTION 2.** There is appropriated from the General Fund to the Department of
6 Commerce the sum of seventy-six thousand nine hundred ninety dollars (\$76,990) for the
7 2010-2011 fiscal year to be allocated to The North Carolina Association of Community
8 Development Corporations, Inc., for the purpose of strengthening the State's economy through
9 community-based development activities, including enhancing the work of community
10 development corporations in building prosperous communities.

11 **SECTION 3.** There is appropriated from the General Fund to the Department of
12 Commerce the sum of five hundred fourteen thousand five hundred two dollars (\$514,502) for
13 the 2010-2011 fiscal year to be allocated to the North Carolina Community Development
14 Initiative, Inc., and its subsidiary, Initiative Capital, to strengthen the investment in low-wealth
15 communities in North Carolina by awarding grants and loans and by increasing the loan loss
16 reserves to attract, retain, and leverage private sector low-interest rate loans, venture capital
17 funds, and philanthropic resources in order to expand the green building/conservation-based
18 housing and commercial programs, create jobs, expand technical assistance, and support
19 economic stimulus activities.

20 **SECTION 4.** There is appropriated from the General Fund to the Department of
21 Commerce the sum of two hundred seventy-six thousand six hundred seventeen dollars
22 (\$276,617) for the 2010-2011 fiscal year to be allocated to the North Carolina Institute of
23 Minority Economic Development for managerial technical assistance, loans, and contract
24 financing, to increase access of small firms to market opportunities and credit facilities,
25 especially in underdeveloped communities, and to increase job retention and job creation
26 initiatives among small and medium-sized businesses.

27 **SECTION 5.** There is appropriated from the General Fund to the Department of
28 Commerce the sum of three hundred ninety-three thousand seven hundred sixteen dollars
29 (\$393,716) for the 2010-2011 fiscal year to be allocated to the North Carolina Minority Support
30 Center for operating expenses and for the purpose of small business lending, loan growth,
31 mortgage lending, and financial literacy through a competitive grants process to North Carolina
32 community development credit unions.

33 **SECTION 6.** This act becomes effective July 1, 2010.