

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 667

Short Title: Community Economic Development Funds. (Public)

Sponsors: Senators Graham; Dannelly, Davis, Dorsett, and McKissick.

Referred to: Appropriations/Base Budget.

March 19, 2009

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 two hundred thousand dollars (\$200,000) for the 2009-2010 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 landowners in underserved tobacco dependent communities. The Land Loss Prevention Project shall not use



1 these funds to represent farmers who have income and assets that would make them financially
2 ineligible for legal services under Part 1611 of Title 45 of the U.S. Code of Federal
3 Regulations.

4 **SECTION 2.** There is appropriated from the General Fund to the Department of
5 Commerce the sum of five hundred thousand dollars (\$500,000) for the 2009-2010 fiscal year
6 to be allocated to The North Carolina Association of Community Development Corporations,
7 Inc., for the purpose of strengthening the State's economy through community-based
8 development activities, including enhancing the work of community development corporations
9 in building prosperous communities.

10 **SECTION 3.** There is appropriated from the General Fund to the Department of
11 Commerce the sum of four million five hundred thousand dollars (\$4,500,000) for the
12 2009-2010 fiscal year to be allocated to the North Carolina Community Development Initiative,
13 Inc., and its subsidiary, Initiative Capital, to strengthen the investment in low-wealth
14 communities in North Carolina by awarding grants, loans, and increasing the loan loss reserves
15 to attract, retain, and leverage private sector low-interest rate loans, venture capital funds, and
16 philanthropic resources in order to expand the green building/conservation-based housing and
17 commercial programs, create jobs, expand technical assistance, and support economic stimulus
18 activities.

19 **SECTION 4.** There is appropriated from the General Fund to the Department of
20 Commerce the sum of one million five hundred thousand dollars (\$1,500,000) for the
21 2009-2010 fiscal year to be allocated to the North Carolina Institute of Minority Economic
22 Development for managerial technical assistance, loans, contract financing, and to increase
23 access of small firms to market opportunities and credit facilities, especially in underdeveloped
24 communities, and to increase job retention and job creation initiatives among small and
25 medium-sized businesses.

26 **SECTION 5.** There is appropriated from the General Fund to the Department of
27 Commerce the sum of three million dollars (\$3,000,000) for the 2009-2010 fiscal year to be
28 allocated to the North Carolina Minority Support Center for operating expenses and for the
29 purpose of small business lending, loan growth, mortgage lending, and financial literacy
30 through a competitive grants process to North Carolina community development credit unions.

31 **SECTION 6.** There is appropriated from the General Fund to the Department of
32 Commerce the sum of three hundred thousand dollars (\$300,000) for the 2009-2010 fiscal year
33 to be allocated to the NC Coalition of Farm and Rural Families to increase the current budget
34 operating expenses for research, technical assistance, outreach, and community and economic
35 development for rural limited resource farmers and landowners statewide.

36 **SECTION 7.** This act becomes effective July 1, 2009.