

Paul Healey - Put on City Council



Commonwealth of Massachusetts

Executive Office of Communities and Development

Office of the Secretary

100 Cambridge Street Room 1404 Boston, Massachusetts 02202 (617) 727-7765

Edward J. King, Governor
Byron J. Matthews, Secretary

January 29, 1981

Dear Municipal Official:

I have enclosed for your information a copy of House 28, An Act Providing For A Community Development Action Grant Program, a bill which I filed as part of the Agency's 1981 legislative package. This bill would authorize the sale of \$15 million in state bonds to assist communities in undertaking "community development projects." These funds would be administered by the Executive Office of Communities and Development in conjunction with the "Community Development Action Grant Program," a program proposed in the bill which would operate in a fashion similar to the federal Urban Development Action Grant (UDAG) Program, and be available both to UDAG eligible communities and certain communities not presently eligible for the federal program.

House 28 provides funds for public improvement to revitalize locally targeted areas. Presently there is no state aid available for this type of work. We know that public improvements are often essential to leverage private investment and ensure the economic viability of a community. With the passage of Proposition 2 1/2, the amount of local funds available for such improvements will decrease substantially. We are fortunate that Congress extended the Community Development Block Grant (CDBG) Program for another three years; but the message coming from Washington is not to depend on federal funds in the future. The CDBG and the UDAG programs have been successful in Massachusetts. I want to provide a state program that incorporates the best features of both these federal programs and that helps municipalities undertake those public improvements which would otherwise be financially impossible. I believe House 28 provides such a program.

If you are interested in this bill, I would suggest that you contact your legislators and make them aware of how your community might utilize a program such as that outlined in House 28. This bill is currently before the Urban Affairs Committee. A hearing will be held on the bill on February 25, 1981 at 10:00 a.m. in Room 222 of the State House.

Sincerely,

Byron J. Matthews
Secretary

Executive Office of Communities
and Development

BJM/b
Enclosure

HOUSE No. 28

Accompanying the first recommendation of the Executive Office of Communities and Development (House, No. 27). Urban Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-One.

AN ACT PROVIDING FOR A COMMUNITY DEVELOPMENT ACTION GRANT PROGRAM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 1 of chapter 121B of the General Laws, as
2 most recently amended by section 4 of chapter 815 of the acts of
3 1977, is hereby amended by adding after the fourth paragraph
4 thereof the following new paragraph: —

5 "Community development project", a work or undertaking on
6 property which is publicly owned or managed for the installation,
7 improvement, construction, alteration, enlargement, repair, reha-
8 bilitation, remodeling or reconstruction of buildings or other
9 structures, facades, streets, roadways, thoroughfares, sidewalks,
10 rail spurs, utility distribution systems, water and sewer lines, parks,
11 playgrounds, for site preparation and improvements, including
12 demolition of existing structures, relocation assistance and for
13 other like improvements necessary or desirable for the revitaliza-
14 tion of the area in which the project is located or the acquisition of
15 property on which any of the foregoing is being or will be undertak-
16 en.

1 SECTION 2. Said Chapter 121B is hereby further amended by
2 inserting after section 57 thereof the following new section: —

3 Section 57A. (a) Any eligible city or town, acting by and
4 through its municipal officers or by and through any agency desig-
5 nated by such municipal officers to act on their behalf, including

6 but not limited to its urban renewal agency, may apply to the
7 department for a grant in a specified amount to fund a specified
8 community development project. To be eligible, cities and towns
9 must be economically distressed in accordance with standards
10 established by the department relative to unemployment, poverty,
11 and inadequate tax base. Said grants shall be in addition to the
12 assistance otherwise made available under this chapter and to
13 other forms of local, state and federal assistance.

14 (b) No application for a community development action grant
15 shall be made until a public hearing relating to the proposed
16 community development project has been held after due notice
17 before the appropriate municipal officers of the city or town. The
18 department shall not approve any community development project
19 unless it shall have found that:

20 (1) The project area is a decadent, substandard or blighted open
21 area.

22 (2) The project will be of public benefit, in the public interest
23 and for a public purpose, consistent with the sound needs of the
24 community as a whole, and any benefit to private entities or
25 individuals will be indirect and incidental and not the purpose of
26 the project.

27 (3) Private industry and other traditional capital markets have
28 not and foreseeably will not provide sufficient capital required for
29 the projects and the project is necessary to stimulate capital invest-
30 ment by private industry and other traditional sources of capital
31 in the area in which the project is located.

32 (4) The project will have a significant impact on the economic
33 condition of the city or town, including the generation or retention
34 of long-term employment.

35 (5) There exist firm commitments of private or other public
36 resources in amounts sufficient, when added to the amount of the
37 proposed grant, to render the project financially sound.

38 Within a reasonable time after application of a grant, the depart-
39 ment shall give written notice to the applicant of its decision with
40 respect to the application.

41 (c) The department may promulgate such rules and regulations
42 as are necessary to effectuate the objectives of this section.

1 SECTION 3. To meet the expenditures necessary in carrying
2 out the provisions of section 57A of chapter 121B of the General
3 Laws, the state treasurer shall, upon request of the governor, issue
4 and sell bonds of the commonwealth to an amount specified by the
5 governor from time to time, but not exceeding, in the aggregate,
6 the sum of fifteen million dollars.

7 All bonds issued by the commonwealth, as aforesaid, shall be
8 designated on their face, Community Development Action Grant
9 Loan, Act of 1981, and shall be issued for such maximum terms of
10 years, not exceeding twenty years, as the governor may recom-
11 mend to the general court pursuant to Section 3 of Article LXII of
12 the Amendments to the Constitution of the Commonwealth, pro-
13 vided, however, that all such bonds shall be payable not later than
14 June thirtieth, two thousand and six. All interest and payments on
15 account of principal of such obligations shall be payable from the
16 General Fund. Bonds and interest thereon issued under the author-
17 ity of this section shall, notwithstanding any other provisions of
18 this act, be general obligations of the commonwealth.

9. S-75

Comm. from Byron J. Matthews, Sec'y, Exec.
Office of Communities & Development, trans-
mitting a copy of House Bill #28 entitled
AN ACT PROVIDING FOR A COMMUNITY DEVELOP-
MENT ACTION GRANT PROGRAM.

In City Council,

February 2, 1981

2/2/1981

- Referred to the

City Manager -
Copy sent to City Mgr
2/3/81 (20)