

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4 By: Rep. McGee

A Bill

HOUSE BILL 1225

For An Act To Be Entitled

8 "AN ACT TO ESTABLISH FUNDING FOR THE ARKANSAS ASSOCIATION
9 OF COMMUNITY DEVELOPMENT CORPORATIONS, INC.(AACDC), FOR
10 THE PURPOSE OF PROVIDING TRAINING, TECHNICAL ASSISTANCE,
11 CAPACITY BUILDING, GRANTS AND LOANS TO COMMUNITY
12 DEVELOPMENT CORPORATIONS FOR LOCAL ECONOMIC DEVELOPMENT
13 INITIATIVE; AND FOR OTHER PURPOSES."

Subtitle

15 "AN ACT FOR THE DEPARTMENT OF FINANCE
16 AND ADMINISTRATION - DISBURSING OFFICER
17 APPROPRIATION FOR THE 1997-99 BIENNIUM."
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. This act may be known and may be cited as the "Arkansas
23 Association of Community Development (AACDC) Act."
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25 SECTION 2. The Arkansas General Assembly hereby define and declare
26 that:

27 (1) Local resources and efforts available to address needs in low
28 income/high unemployment areas are often isolated and limited to individual
29 systems of blight and deterioration.

30 (2) Programs and services designed to serve such areas are frequently
31 inaccessible due to a lack of resources, agency staffing and public knowledge
32 and expertise.

33 (3) The Arkansas Association of Community Development Corporations,
34 Inc. (AACDC) and its member organizations are sensitive to and reflective of
35 the low income/high unemployment population and have demonstrated records of
36 success in dealing with these problems.

1 (4) The need exists to capitalize and expand on the efforts of AACDC
2 through state investments, public/private partnerships, education, training
3 and capacity building and technical assistance.

4 (5) The potential capability of AACDC and its member organizations to
5 leverage state/federal government, private sector, and foundation dollars is
6 important.

7 (6) A void currently exists in the state at the local level in terms
8 of support and incentives for community/economic activities, including: small
9 business/job creation programs; micro-enterprise lending; housing assistance;
10 youth training; entrepreneurship and continuing education programs;
11 accessibility to venture and start-up capital; self-help infrastructure
12 projects; and other areas of technical and financial assistance.

13 (7) The Arkansas Association of Community Development Corporations,
14 Inc. (AACDC) should administer state programs for CDCs and monitor the
15 implementation of projects carried out under the direction of this act.

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17 SECTION 3. As used in this Act, unless the context otherwise requires:

18 (1) "AACDC" means the Arkansas Association of Community Development
19 Corporations, Inc.

20 (2) "Community Development Corporations" (CDC) means a private,
21 locally initiated, non-profit entity, chartered under the Arkansas Non-Profit
22 Corporation Act and properly registered with the Secretary of State's Office,
23 with 501(c)(3) status recognized by the Internal Revenue Service; governed by
24 a board consisting of diverse residents of the community; whose organizational
25 mission is to develop and improve low income communities; whose record,
26 Bylaws, and/or Articles of Incorporation indicate that it has a focus in the
27 area of community/economic development; whose primary function is to package
28 projects and activities that will expand the opportunities of their
29 constituents to become owners, managers and producers of small businesses,
30 affordable housing and jobs designed to produce positive cash flow and curb
31 blight in their targeted communities; and which complies with all federal
32 definition of CDCs, including that of the U. S. Department of Health and Human
33 Services (HHS).

34 (3) "Federal" means any department, office, counsel, or agency of the
35 federal government or any public benefit corporation on authority authorized

1 by federal statute.

2 (4) "Foundation" means an organization or institution established by
3 endowment with provisions for future maintenance.

4 (5) "High Unemployment Area" means a rural community of pervasive
5 poverty, and certified by the state to be inhabited by individuals of at least
6 fifty-one percent (51%) low to moderate income as defined by the U. S.
7 Department of Housing and Urban Development (HUD).

8 (6) "Low Income Area" means a rural community of high unemployment and
9 pervasive distress that falls below recognized national poverty levels and/or
10 whose residents are certified by the state to be at least fifty-one percent
11 (51%) low to moderate income as defined by the U. S. Department of Housing and
12 Urban Development (HUD).

13 (7) "Not-for-Profit Corporation" means a corporation not part of the
14 income of which is distributed to its members, directors or officers.

15 (8) "Private Sector" means all organizations or individuals under
16 private control or ownership and not subject to public office or employment.

17 (9) "State" means the state of Arkansas.

18 (10) "Membership" means any 501(c)(3) designated community development
19 corporation is eligible to join AACDC.

20 (11) "Rural Area" means all the territory of the state of Arkansas that
21 is not within the outer boundary of any city or town having a population of
22 twenty thousand (20,000) or more according to the latest decennial census or
23 within such a city's or town's neighboring urbanized areas.

24 (12) "New community development corporation" means a corporation that:
25 1) has a yearly operating budget of ten thousand dollars (\$10,000) or less;
26 2) has paid staff; and 3) has been established more than six (6) months.

27 (13) "Emerging community development corporation" means a corporation
28 that: (1) has a yearly operating budget of more than ten thousand dollars
29 (\$10,000); 2) has paid staff; and 3) has been established more than six
30 months.

31 (14) "Community Housing Development Organization (CHDO)" means a
32 nonprofit community based organization whose primary mission is the production
33 of affordable housing for low income residents, including the use of HOME
34 funds. Housing development is carried out through a number of activities,
35 including preservation of existing housing, new construction, rentals and

1 homeownership strategies.

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3 SECTION 4. APPROPRIATIONS. There is hereby appropriated, to the
4 Department of Finance and Administration - Disbursing Officer, to be payable
5 from the Miscellaneous Revolving Fund, for a grant to the Arkansas Association
6 of Community Development Corporations, Inc. (AACDC) for the purpose of
7 providing support to Community Development Corporations for local
8 community/economic development initiatives for the biennial period ending June
9 30, 1999, the sum of two million dollars (\$2,000,000)

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11 SECTION 5. Of the monies appropriated by the Act for the purposes of
12 local community investment in low income/high unemployment areas, priority
13 shall be given by AACDC to applications that clearly demonstrate the ability
14 to leverage matching funds to benefit targeted populations of the total amount
15 authorized by this Act:

16 (a) Two hundred thousand dollars (\$200,000) shall be used by AACDC for
17 the purpose of supporting its activities, obligations and responsibilities
18 under this act.

19 (b) Three hundred thousand dollars (\$300,000) shall be used as grants
20 to new and emerging community development corporations which may apply for
21 start-up grants up to twenty thousand dollars (\$20,000) per year for a maximum
22 of two (2) years.

23 (c) Three hundred thousand dollars (\$300,000) shall be used for the
24 purpose of making grants to community development corporations for development
25 activities, which create jobs, homeownership among low income individuals and
26 micro-enterprise development in low income communities.

27 (d) Fifty thousand dollars (\$50,000) shall be used to provide
28 technical assistance in order to increase the capacity of Community Housing
29 Development Organizations (CHDOs).

30 (e) One hundred fifty thousand dollars (\$150,000) shall be used for
31 pre-development expenses, i.e., feasibility studies and market/business plans.

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33 SECTION 6. Distributions. AACDC shall not distribute funds under
34 Sections 5(b), 5(c) and 5(d) until such applicants have provided a current
35 certificate of good standing from the Secretary of State, AACDC has confirmed

1 local support for the community development corporation and the applicants
2 have properly registered as a community development corporation with the
3 Secretary of State.

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5 SECTION 7. Reporting. AACDC shall report quarterly to the Office of
6 the Governor and the Legislative Joint Budget Committee or the Arkansas
7 Legislative Council (ALC) on the use of funds and shall provide an annual
8 impact statement to the Joint Budget Committee and the Arkansas Legislative
9 Council.

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11 SECTION 8. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
12 authorized by this Act shall be limited to the appropriation for such agency
13 and funds made available by law for the support of such appropriations; and
14 the restrictions of the State Purchasing Law, the General Accounting and
15 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
16 Procedures and Restrictions Act, or their successors, and other fiscal control
17 laws of this State, where applicable, and regulations promulgated by the
18 Department of Finance and Administration, as authorized by law, shall be
19 strictly complied with in disbursement of said funds.

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21 SECTION 9. LEGISLATIVE INTENT. It is the intent of the General
22 Assembly that any funds disbursed under the authority of the appropriations
23 contained in this Act shall be in compliance with the stated reasons for which
24 this Act was adopted, as evidenced by the Agency Requests, Executive
25 Recommendations and Legislative Recommendations contained in the budget
26 manuals prepared by the Department of Finance and Administration, letters, or
27 summarized oral testimony in the official minutes of the Arkansas Legislative
28 Council or Joint Budget Committee which relate to its passage and adoption.

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30 SECTION 10. CODE. All provisions of this Act of a general and
31 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the
32 Arkansas Code Revision Commission shall incorporate the same in the Code.

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34 SECTION 11. SEVERABILITY. If any provision of this Act or the
35 application thereof to any person or circumstance is held invalid, such

1 invalidity shall not affect other provisions or applications of the Act which
2 can be given effect without the invalid provision or application, and to this
3 end the provisions of this Act are declared to be severable.

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5 SECTION 12. GENERAL REPEALER. All laws and parts of laws in conflict
6 with this Act are hereby repealed.

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8 SECTION 13. EMERGENCY CLAUSE. It is hereby found and determined by the
9 Eighty-First General Assembly, that the Constitution of the State of Arkansas
10 prohibits the appropriation of funds for more than a two (2) year period; that
11 the effectiveness of this Act on July 1, 1997 is essential to the operation of
12 the Arkansas Association of Community Development Corporations, Inc. (AACDC)
13 for which the appropriations in this Act are provided, and that in the event
14 of an extension of the Regular Session, the delay in the effective date of
15 this Act beyond July 1, 1997 could work irreparable harm upon the proper
16 administration and provision of essential governmental programs. Therefore, an
17 emergency is hereby declared to exist and this Act being necessary for the
18 immediate preservation of the public peace, health and safety shall be in full
19 force and effect from and after July 1, 1997.

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