

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

HOUSE BILL 1793

4  
5 By: Representatives McGee, Wilkins, Bennett, Booker, Brown, Harris, Roberts, Judy Smith, Walker and Wilson  
6 By: Senators Lewellen, Edwards and Walker

## 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 TO ESTABLISH FUNDING FOR  
16 ARKANSAS ASSOCIATION OF COMMUNITY  
17 DEVELOPMENT CORPORATIONS, INC."

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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 declares that:  
26 (1) Local resources and efforts available to address needs in low  
27 income/high unemployment areas are often isolated and limited to an individual  
28 system of blight and deterioration.

29 (2) Programs and services designed to serve welfare recipients and  
30 other low-income persons are frequently inaccessible due to a lack of  
31 resources, agency staffing and limited public knowledge and expertise.

32 (3) The Arkansas Association of Community Development Corporations,  
33 Inc. (AACDC) and its member organizations are sensitive to and reflective of  
34 the low income/high unemployment population and have demonstrated records of  
35 success in providing jobs, job supporting services and housing for these  
36 residents.

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 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 of  
 8 support and incentives for community/economic activities, including: small  
 9 businesses/job creation programs for welfare recipients; micro enterprise  
 10 lending assistance; youth training; entrepreneurship and continuing education  
 11 programs; accessibility to venture and start-up capital; self-help  
 12 infrastructure projects; and other areas of technical and financial  
 13 assistance.

14           (7) The Arkansas Rural Development Commission shall serve as the state  
 15 funding agency for the Arkansas Association of Community Development  
 16 Corporations, Inc. (AACDC) shall administer state programs for CDCs and  
 17 monitor the implementation of projects carried out under the direction of act.

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 19           SECTION 3. Definitions. As used in this act, unless the context  
 20 otherwise requires:

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

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

1       (3) "Federal" means any department, office, counsel, or agency of the  
 2 federal government or any public benefit corporation on authority authorized  
 3 by statute with provisions for future maintenance.

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

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

10       (6) "Low income area" means a rural community of high unemployment and  
 11 pervasive distress that falls below recognized national poverty levels and/or  
 12 whose residents are certified by the state to be at least fifty-one percent  
 13 (51%) low to moderate income as defined by U.S. Department of Housing and  
 14 Urban Development (HUD).

15       (7) "Not-for-profit corporation" means a corporation which does not pay  
 16 its board of directors or officers.

17       (8) "Private sector" means all organizations or individuals under  
 18 private control or ownership and not subject to public office or employment.

19       (9) "State" means the State of Arkansas.

20       (10) "CHDO" means community housing development organizations. The term  
 21 is designated for certified non-profit organizations who have met a list of  
 22 requirements. This designation is approved by the Arkansas Development  
 23 Finance Authority, (ADFA) HOME program.

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25       SECTION 4. All provisions of this act of a general and permanent nature  
 26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
 27 Revision Commission shall incorporate the same in the Code.

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29       SECTION 5. If any provision of this act or the application thereof to  
 30 any person or circumstance is held invalid, such invalidity shall not affect  
 31 other provisions or applications of the act which can be given effect without  
 32 the invalid provision or application, and to this end the provisions of this  
 33 act are declared to be severable.

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35       SECTION 6. All laws and parts of laws in conflict with this act are  
 36 hereby repealed.

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SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-First General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a two (2) year period; that the effectiveness of this Act on July 1, 1997 is essential to the operation of the Arkansas Association of Community Development Corporations, Inc. (AACDC) for which the appropriations in this Act are provided, and that in the event of an extension of the Regular Session, the delay in the effective date of this Act beyond July 1, 1997 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1997.