



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic
Development Commission

Fresh Start Program Proposed Emergency Rule

EMERGENCY STATEMENT

The Arkansas Economic Development Commission (AEDC) has drafted a proposed emergency rule to administer the Arkansas Fresh Start COVID-19 Housing Stabilization Program (Fresh Start Program). AEDC, in collaboration with the Arkansas Community Action Agencies Association, will provide short-term rental assistance to low to moderate individuals and families in Arkansas who are experiencing housing instability, as well as landlords who are experiencing revenue loss due to the impact of the COVID-19 pandemic. AEDC had determined that the filing of an emergency rule is necessary due to the significant impact that COVID-19 has had on public health and the Arkansas economy. Housing instability and loss of rental income hinders the recovery of the Arkansas economy.

EMERGENCY RULE SUMMARY

- The proposed emergency rule provides an overview of the program and the need created by the impact of COVID-19 on Arkansans and the Arkansas economy.
- \$10 million for the Fresh Start Program would be funded by \$5.76 million in federal CDBG-CV grant funds from HUD and a proposed \$4.24 million CARES Act Appropriation to be considered by the Arkansas Legislative Council (ALC) on October 16, 2020.
- The proposed emergency rule establishes the eligibility criteria for applicants and the required documentation that will demonstrate eligibility.
- The benefits of the Fresh Start Program are outlined in Section III of the proposed emergency rule.
- Eligible applicants may receive benefits of up to 2.5 months of past due rent. The amount of the grant assistance shall not exceed the fair market rental value as determined by HUD for the dwelling occupied by the applicant.
- Benefits will be paid directly to the landlord of the dwelling occupied by the applicant and are strictly limited to rental charges for the dwelling and shall not include separate ancillary charges for property amenities unrelated to rent.
- The Arkansas Community Action Agencies Association (ACAAA) shall serve as the overall project manager of the Fresh Start Program and the duties and responsibilities of the ACAA are outlined in the proposed emergency rules under Section V of the proposed emergency rule.
- Benefits under the Fresh Start Program shall be administered through the 15 Community Action Agencies (CAA) throughout Arkansas. The responsibilities of the CAA's are outlined in Section VI of the proposed emergency rule.
- Exhibit A outlines the percentage of overall award that will be allocated to each CAA. This allocation is determined based on the population of the area served by each CAA.

EFFECTIVE DATE

If the proposed emergency rule is approved by the ALC, it shall become effective upon the filing of the approved final rule with the Arkansas Secretary of State's Office. The emergency rule shall be in effect for 120 days after the filing of the approved final rule.

RULEMAKING AUTHORITY

AEDC has authority granted under A.C.A. § 15-4-209(a)(1) and § 15-4-209(b)(5) to promulgate rules for programs that the agency administers.