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CITY COUNCIL APPROVES RELIEF PACKAGE TO STABILIZE AFFORDABLE HOUSING DURING COVID-19 PANDEMIC

Latest housing relief measures to help affordable housing partners endure crisis and maintain vital housing for low-income families

CHICAGO – City Council today approved an ordinance introduced by Mayor Lori E. Lightfoot that will create a new \$3 million emergency relief package to stabilize affordable housing developments across Chicago and keep thousands of men, women, and children safe and secure in their homes during and after the Coronavirus-2019 (COVID-19) pandemic. Following its passage today, the Emergency Relief for Affordable Multifamily Properties Program (ERAMP) ordinance will support up to 3,400 low-income households in 40 properties with grants or no-interest, deferred payment loans of up to \$75,000 to affordable housing owners. This money will be used to help cover lost rent, general operating expenses, additional cleaning, and other COVID-19-related costs.

ERAMP is an additional part of Mayor Lightfoot's comprehensive response to the COVID-19 crisis.

"Across Chicago, residents and building owners' homes and livelihoods have come under threat as a result of the COVID-19 crisis and it's our obligation to ensure our most vulnerable residents have the resources and support they need to weather this storm," said Mayor Lightfoot. "With the passage of the ERAMP ordinance, we are stabilizing Chicago's affordable housing developments and further ensuring our residents have a safe and stable place to start a family, grow their career, and pursue their dreams."

Supported by the Affordable Housing Opportunity Fund (AHOF), these loans and cash grants will keep affordable housing properties running during a time of widespread job loss and when renters face difficult choices between paying rent and putting food on the table. The ERAMP grants and loans pair with the administration's earlier Housing Assistance Program, which provided 2,000 grants



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to renters unable to make rent and mortgage payments due to the economic losses created by COVID-19.

“We are committed to ensuring people have a place of residence,” said DOH Commissioner Marisa Novara. “Our solutions to COVID-19 must and will address the needs of both tenants and landlords. We know that by providing or maintaining stable, affordable housing, we are investing in the people who live there and the overall health and wellbeing of the City.”

Across the City, a shortage of affordable housing exists, and the COVID-19 crisis continues to place more of an economic burden on low-income residents and tenants throughout Chicago. At the same time, affordable housing owners report rent collections being down significantly. The National Multifamily Housing Council, a multifamily apartment building industry group, polled its membership and found a 60% increase in nonpayment through April 12 compared to the same period a year ago.

“At a time when we are experiencing and forecasting even greater significant financial losses in our affordable housing buildings because of the pandemic, this COVID-19 Emergency Relief program will provide a part of the critical support needed as we and other affordable housing owners look for how to continue to serve our vulnerable, low-income tenants,” said Edgar Flagg, Chief Real Estate Development Officer for The Resurrection Project, an affordable housing and community developer.

New ERAMP grants and no-interest loans will ensure the viability of the City’s network of multifamily housing developments and protect tenants during and after this unprecedented health and economic crisis.

“Chicago has a fundamental obligation to ensure residents and families can stay home safely throughout this public health crisis,” said Ald. Harry Osterman (48th Ward), Chairman of the City Council’s Housing and Real Estate committee. “Through ERAMP, we can further stabilize affordable housing units across Chicago and ensure residents can stay home and save lives.”

The ERAMP emergency funding is open to multifamily buildings or scattered site developments under common ownership containing five or more units serving households earning 60% of the area median income or below. In addition to the emergency grants, ERAMP will also streamline the process for modifying affordable housing developer loans to ensure the program can act at the speed that the COVID-19 crisis requires, shortening the time to restructure loans from months to weeks.



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Earlier economic relief measures created by the administration demonstrate the magnitude of the crisis and the economic toll it is taking on residents. Last month, the Department of Housing (DOH) made 2,000 grants available to directly assist Chicagoans who had lost their jobs or otherwise been impacted by the economic fallout of the COVID-19 pandemic. DOH received 83,000 applications in five days and reached applications for the maximum number of grants it could award within just the first few hours of opening.

Non-profit, for-profit, and joint-venture owners of affordable housing developments are eligible to apply for funding under the program. DOH will prioritize projects that meet at least one of these eligibility conditions:

- The applicant has existing affordable housing debt financing from the City;
- The applicant is party to a redevelopment agreement or regulatory agreement to which the City is also a party, but has received no direct financial assistance from the City previously;
- The applicant has repaid the City's investment(s) in the project but is still within an extended use affordability period; or,
- The applicant has received other publicly-sourced permanent financing (IHDA or HUD) but no City-sourced permanent financing.

Following the overwhelming interest and need demonstrated by the Housing Assistance Program, the Lightfoot administration is working to identify additional resources to fund another round to assist Chicagoans with rent and mortgage payments, and to advocate for additional federal funding to meet Chicago's housing needs.

For more information and updates on COVID-19, text COVID-19 to 78015, email coronavirus@chicago.gov or visit Chicago.gov/coronavirus. For additional information and application materials please visit www.chicago.gov/eramp.

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