



**EMERGENCY RELIEF FOR AFFORDABLE MULTIFAMILY PROPERTIES
(ERAMP)**

Program Rules and Regulations

Program Definitions

Short-Term Financial Assistance: Shall mean an allocation of awarded funds from the ERAMP Program for operating shortfalls caused by the loss of rental income or added expenses related to the control and prevention of COVID-19.

Application: Shall mean an entire set of required and requested documents, in paper or electronic form, as prescribed in this program document and submitted to the City's Department of Housing.

Applicant: Shall mean the Eligible Owner (as defined herein) that has applied for ERAMP Program assistance. The Applicant includes all individuals and entities of which the Eligible Owner is comprised.

City: Shall mean The City of Chicago, Illinois, an Illinois municipal corporation and home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois.

City Council: Shall mean The City Council of the City of Chicago, Illinois.

Commitment: Shall mean a contract executed by and between the City of Chicago Department of Housing and the Eligible Owner for an Eligible Development under which the City conditionally commits to provide ERAMP Short-Term Financial Assistance to the Eligible Owner for the Eligible Development.

Department: Shall mean the City's department of housing or any successor department, acting by or through its commissioner.

Development: Shall mean an existing multifamily rental property or scattered site rental properties under common ownership.

Eligible Development: Shall mean multifamily buildings or scattered site developments under common ownership with five (5) or more units rented at a rental price that is affordable to households earning up to 60 percent of the Primary Metropolitan Statistical Area median income for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by HUD from time to time

Eligible Owner: Shall mean non-profit, for-profit, and joint venture owners of Eligible Developments.

HUD: Shall mean The United States Department of Housing and Urban Development or any successor department.

Personal Protective Equipment ("PPE"): Shall mean equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses that may result from contact with chemical, radiological, physical, electrical, mechanical, or other workplace hazards, including by way of example, but not limited to: gloves, safety glasses, shoes, ear protection, hard hats, respirators, coveralls, vests, and full body suits.

Deferment: Shall mean a period of time during which a borrower does not have to pay interest or repay the principal on a loan. The deferment period also refers to the period after the issue of a callable security during which the issuer can not call the security.

Modification: Shall mean a change made to the terms of an existing loan by a lender. It may involve a reduction in the interest rate, an extension of the length of time for repayment, a different type of loan, or any combination of the three.

Forbearance: Shall mean a form of repayment relief granted by a creditor or lender resulting in a temporary postponement of mortgage payment obligations.

Area Median Income (“AMI”): Shall mean the Primary Metropolitan Statistical Area median income for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by HUD from time to time, as calculated and adjusted for household size on an annual basis by HUD.

Reserves: Shall mean an unrestricted fund balance set aside to stabilize a Development’s finances by providing funds for unexpected cash flow shortages, expense or losses caused by delayed payments, unexpected building repairs, or economic conditions.

Award Agreement: Shall mean a contract executed by the City, acting by or through the Department, and an Eligible Owner under which the City agrees to provide Short-Term Financial Assistance.

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Overview

Authorized by the City Council in May 2020, the Emergency Relief for Affordable Multifamily Properties (“ERAMP”) Program provides short-term financial assistance to owners of affordable multifamily properties for operating shortfalls caused by the loss of rental income or added expenses related to the control and prevention of COVID-19. ERAMP assistance is provided subject to these rules and regulations and shall not exceed \$75,000 for each Eligible Development. The ERAMP Program is administered by the City of Chicago Department of Housing.

Program Goals

- ❖ Assist Applicants in maintaining the operational health of affordable multifamily properties that experience a loss in rent revenues or an increase in operating expenses as a result of COVID-19.
- ❖ Assist Applicants in maintaining safe living conditions for low-income tenants with the support of deep cleaning and disinfecting of common areas.
- ❖ Assist Applicants in upholding the safety of Eligible Development staff whose essential duties may pose a risk to exposure.

Eligible Owners

Non-profit, for-profit, and joint venture owners of Eligible Developments as defined herein (“Eligible Owners”) are eligible to apply for ERAMP assistance.

Eligible Developments

Eligible Developments must be multifamily buildings or scattered site developments located in the City of Chicago under common ownership with five (5) or more units rented at a rental price that is affordable to households earning up to 60 percent of the Primary Metropolitan Statistical Area median income for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by the United States Department of Housing and Urban Development (“HUD”) from time to time.

Portions of Developments already subject to unit-based rental assistance (“PBV”) including by way of example, but not strictly limited to, assistance provided under Section 8, are not eligible for short-term financial assistance. Additionally, developments receiving annual TIF payments are ineligible.

Priority of Eligible Developments

ERAMP assistance is provided subject to funding availability on a “rolling” basis for Eligible Development Applications. If there is more than one Eligible Development Application submitted for funds at any given time, DOH will prioritize consideration for ERAMP assistance to Applications for Eligible Developments according to the following descending priority order:

Priority Criteria 1: The Eligible Development has existing permanent debt financing for affordable housing uses (e.g. HOME Investment Partnerships, CDBG) from the City of Chicago.

Priority Criteria 2: The Eligible Development an active, in-force non-ARO affordable housing regulatory agreement or redevelopment agreement with the City of Chicago.

Priority Criteria 3: The Eligible Development has existing permanent debt financing for affordable housing uses from the Illinois Housing Development Authority (IHDA) or HUD and/or has an active, in-force affordable housing regulatory agreement with IHDA or HUD.

Funding & Eligible Use

DOH may provide ERAMP assistance in the form of a grant or a no interest, deferred payment loan to recapitalize operating deficit reserves if DOH determines that the Eligible Development is experiencing operating deficits related to the economic effects of the COVID-19 pandemic. DOH will only provide this assistance to Eligible Developments experiencing operating deficits that will not be covered by insurance or other sources (e.g. other private, local, state, or federal funds). The ERAMP Program shall assist no more than two (2) Eligible Developments owned or controlled by the Applicant.

Subject to the ERAMP Program's \$75,000 assistance limit per each Eligible Development, the maximum amount of ERAMP assistance that may be provided is equal to the total of the Eligible Development's operating expenses, previously scheduled payments to a reserve for replacements, and actual debt service (excluding debt service on loans in Forbearance or Deferment) for three (3) months, multiplied by the proportionate share of non-PBV legally-restricted affordable housing rental units in the Eligible Development to the total number of housing rental units in the Eligible Development for the period beginning on April 1, 2020 and ending on December 31, 2020. Project operating expenses may be demonstrated by one of the following:

1. The Eligible Owner's most-recent year-to-date financial statements for the Eligible Project;
2. Certified project-level accounting records for the Eligible Development covering the most-recent three (3) months; and
3. Copies of project-level bank statements for the Eligible Development covering the most-recent three (3) months.

Project operating expenses may also be adjusted due to COVID-19-related expenditures and foregone expenses due to social distancing measures and other COVID-19-related impacts. An Eligible Owner may demonstrate these expenses with recent receipts, mechanic's lien waivers, copies of work orders, invoices, or revised budgets that have been certified by the Eligible Owner as true, accurate representations of current expenditures.

Compliance & Reporting

Compliance with Existing Obligations

As verified by the Department's Construction and Compliance division, the Eligible Development, the Eligible Owner, and/or the Eligible Development sponsor/manager/general partner must be in compliance with all long-term monitoring and compliance obligations associated with the Eligible Development's, Eligible Owner's, or Eligible Development sponsor's/manager's/general partner's City of Chicago-funded projects.

Residual Receipts, Eviction & Late Fees Compliance

In connection with the disbursement of ERAMP funds, the Eligible Owner shall be required to execute an agreement specifying that the Eligible Owner shall forego:

1. Any distributions of residual receipts starting from the effective date of the Award Agreement and continuing for a period of eighteen (18) months thereafter;
2. Any right under the existing lease agreement or state or local law to pursue legal action for non-payment of rent and the collection of any fees associated with late payments without the prior written approval of the Department; and
3. Any adverse credit reporting against tenants of the ERAMP-assisted units for nonpayment of rent and fees without prior approval of the Department.

Extension of Affordability Restrictions

If an Eligible Development is encumbered by recorded land use covenants or an agreement requiring affordable housing uses (“Housing Covenants”) that, at the latest, would otherwise be scheduled to expire within five (5) calendar years following January 1, 2021, then the Eligible Owner of the Eligible Development shall be required to execute a regulatory agreement to extend the term of the affordable housing land use restrictions associated with these Housing Covenants as follows:

Remaining Affordability as of January 1, 2021	Required Affordability Extension (from prior Housing Covenant term expiration)
5 years or more	N/A
More than 4 years but fewer than 5 years	Not less than 4 years
More than 3 years but fewer than 4 years	Not less than 5 years
More than 2 years but fewer than 3 years	Not less than 6 years
More than 1 year but fewer than 2 years	Not less than 7 years
1 year or less	Not less than 8 years

Waiver of Qualified Contract

By submitting an Application for ERAMP assistance to be considered by DOH, all Applicants and Eligible Owners waive their right to submit a qualified contract for the Eligible Developments, thereby maintaining affordability for the duration of the (extended) term of the affordable housing land use restrictions associated with the Eligible Developments.

Post-Closing Reporting Requirements

Within 120 days following the disbursement of ERAMP funds, and pursuant to a recapture agreement, the Eligible Owner must submit records of actual revenue and operating expenses at the Eligible Development, records documenting outflows from the Eligible Development’s reserve for operating deficits, and payment documentation (invoices, receipts, lien waivers) to determine the eligibility of COVID-19-related cleaning and prevention expenses.

[Application Procedure](#)

Applicants seeking ERAMP assistance must complete an online ERAMP Program Intake Form hosted on the Department of Housing’s website and send the following attachments with the subject line “ERAMP

Funding Application – [Property Name]” in a single submission to HousingAM@cityofchicago.org with clearly-described file names. Failure to do so may result in processing delays.

- ❖ Organizational chart for Eligible Owner ownership structure;
- ❖ All recent compliance letters for City-funded affiliate Developments;
- ❖ Documentation evidencing recent operating shortfalls in connection with the Eligible Development:
 - The Eligible Owner’s most-recent year-to-date financial statements for the Eligible Development; and/or
 - Certified project-level accounting records for the Eligible Development covering the most-recent three (3) months; and/or
 - Copies of project-level bank statements for the Eligible Development covering the most-recent three (3) months.
- ❖ Rent roll;
- ❖ Online EDS: <https://webapps1.chicago.gov/EDSWeb/appmanager/OnlineEDS/desktop> ;
- ❖ Completed Principal Profile form.

If the Department of Housing conditionally approves the Application, a conditional commitment letter (“Commitment”) will be issued to the Applicant specifying the terms and conditions upon which the Department will award and fund the ERAMP assistance. If the Applicant does not satisfy the terms and conditions of the Commitment in the Department’s sole and absolute discretion, within the time frame specified therein, the ERAMP assistance will not be awarded and will be withdrawn.

If the Applicant satisfies the terms and conditions of the Commitment in the Department’s sole and absolute discretion within the time frame specified therein, the funds will be awarded as provided in the Commitment. Among the requirements in the Commitment will be signature and delivery by the Applicant of the following documents to be provided by the Department, including without limitation: (i) Award Agreement, (ii) regulatory agreement, and (iii) recapture agreement. No costs may be incurred prior to closing of the award and funding of the Short-Term Financial Assistance. Closing shall be at such time as the Applicant satisfies the terms and conditions of the Commitment as determined by the Department of Housing in its sole and absolute discretion. Applicants must agree to comply with all applicable federal and State of Illinois requirements; such requirements may have significant impact on the costs and complexity of the Development. Applicants are expected to be familiar with the full range of all legal and statutory compliance requirements applicable to the funds awarded, and to obtain all necessary information and advice so that they can comply with such requirements.

Contact Information

The ERAMP Program is administered by the City of Chicago Department of Housing. Questions should be directed to the Department’s asset management team at HousingAM@cityofchicago.org.