



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**MAYOR LIGHTFOOT INTRODUCES EMERGENCY RELIEF ORDINANCE 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—Mayor Lori E. Lightfoot today introduced an ordinance that would 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 COVID-19 pandemic. 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 to help cover lost rent, general operating expenses, additional cleaning and other COVID-19-related costs.

These loans and cash grants, supported by the Affordable Housing Opportunity Fund (AHOF), will keep affordable housing properties running during a time of widespread job loss, 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 to renters unable to make rent and mortgage payments due to the economic losses created by COVID-19.

"The impact of the COVID-19 crisis has shaken the entire economic life of our city—particularly for our low-income families, which is why the ERAMP ordinance is so critical to stabilizing Chicago's affordable housing developments and ensuring our residents have a safe roof over their heads," said Mayor Lightfoot. "While our immediate focus continues to be the health and security of our residents from this pandemic, this crisis has also further illuminated the urgency of expanding affordable housing throughout Chicago, and the importance of ensuring all our residents have a safe and stable place to start a family, grow their career, and pursue their dreams."



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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. There has been a 60% increase in nonpayment through April 12 compared to the same period a year ago, according to the National Multifamily Housing Council.

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.

"We are committed to avoiding both widespread evictions and widespread foreclosures," 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."

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 and located in the City of Chicago. In addition to the emergency grants, ERAMP would 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.

"At a time when we are experiencing and forecasting even greater significant financial losses in our affordable housing buildings based on the losses our tenants and the communities face, 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 low-income vulnerable tenants," said Edgar Flagg, Chief Real Estate Development Officer for The Resurrection Project, an affordable housing and community developer.

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.



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“During this crisis it is critical that residents and families can stay home safely,” said Ald. Harry Osterman (48), chairman of the City Council’s Housing and Real Estate committee. “This initiative creates important support for those who provide needed affordable housing across Chicago.”

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 of Chicago;
- 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;
- The applicant has received other publicly-sourced permanent financing (IHDA or HUD) but no City-sourced permanent financing.

The ERAMP program will go into effect upon approval by City Council. Applicants must complete an [online application](#) that will be hosted on the Department of Housing’s website.

“When our residents lose their jobs and cannot pay their rent, they have no way to make up for lost rent payments,” said Brigitte Grossman, President of SourceWorks Development Corp, an affordable housing developer. “Because our buildings run on small margins, many developers cannot afford to lose this income. With lost rents, we will default on mortgage payments, miss utility payments – and the City’s stable affordable housing properties will start wobbling on shaky ground. We are glad to see the City stepping in with balanced policy solutions to the issues renters and affordable housing providers alike both face in the current climate.”

The Emergency Relief for Affordable Multifamily Properties Program is part of Mayor Lightfoot’s comprehensive response to the coronavirus crisis, spanning economic relief measures taken for residents and business, and lays the post-pandemic foundation for life and commerce in Chicago going forward. 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.



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