

PRESS RELEASE

Merchants Capital Secures Financing for Affordable Housing in Downtown San Francisco to Serve the Formerly Homeless

CHICAGO (Feb. 8, 2021) – The Chicago office of mortgage banking company **Merchants Capital** recently secured a Merchants Bank of Indiana (MBI) construction loan for the development of 53 Colton Street, an affordable housing complex currently under construction in downtown San Francisco.

Located in Mid-Market one of San Francisco’s fastest growing neighborhoods, 53 Colton Street will provide 96 affordable and supportive efficiency studio apartments to formerly homeless adults. All units will be reserved for residents referred through the Coordinated Entry System (CES). The project will create much needed deeply affordable housing at the center of the city.



“Closing the first MBI construction loan in downtown San Francisco is a tremendous success for Merchants Capital,” said Lee Oller, executive vice president of Merchants Capital’s Chicago office. “This development is especially noteworthy as it takes an overlooked area and transforms it into a new hub of activity for both residents and workers. This is truly taking a net-negative and turning it into a net-positive for the neighborhood and the city. We at Merchants are proud to have partnered on such a meaningful project for San Francisco and the Bay Area.”

With groundbreaking expected this winter, the structure and design of 53 Colton Street will focus on meeting the everyday needs of a supportive housing community, while simultaneously creating a residence that is beautiful, sustainable and cost-efficient. Each of the 96 studio units will be equipped with a private bathroom and kitchenette. Building amenities include common areas, a community room with dining area and kitchen, a bike room, common laundry facilities and a private landscaped courtyard. The building is designed by David Baker Architects, one of San Francisco’s leading architecture firms.

“53 Colton is a wonderful example of what’s possible with a partnership that includes for-profit and non-profit developers, the City of San Francisco, State of California, organized labor, and financial institutions

like Merchants, Enterprise, and the AFL-CIO. We are excited to see this project come to fruition,” said Michael Cohen, a Founding Principal of Strada Investment Group.

Additionally, the property management group, Community Housing Partnership (CHP) will provide on-site case managers and counselors to support residents in an effort to improve their overall quality of life and stimulate them to become self-reliant.

"Our organization's mission is to create a permanent home for people who have experienced homelessness. The challenge is large and requires all of us to work together; we have forged partnerships with lenders, state and local government and philanthropy to achieve the goal. Our partnership with MBI was instrumental in our success,” said Community Housing Partnership CEO Rick Aubry.

In addition to the MBI construction loan, Merchants Capital also provided the Low-Income Housing Tax Credit (LIHTC) equity bridge loan.

“Transforming this area into a beautiful, welcoming development while providing affordable housing to many San Francisco residents is truly a remarkable project,” said Susan Schnoll, senior vice president, originations of Merchants Capital’s Chicago office. “Merchants is proud to have partnered with Strada Investment Group and CHP to bring 53 Colton Street to life. It will provide necessary housing to those who need it most.”

The development at 53 Colton Street is expected to be completed by the spring or summer of 2022.

To learn more about Merchants Capital and its services, visit www.merchantscapital.com or find Merchants Capital on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

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Established in 1990, Merchants Capital is one of the nation’s top lenders for the refinance, acquisition, new construction and substantial rehabilitation of multifamily, affordable, senior and student housing. Whether you are considering Freddie Mac, Fannie Mae, HUD/FHA insured or balance sheet financing, let our personalized services help you meet your financing objectives. Experience the creativity of a small lender, with all the capabilities of a large institution. To learn more about Merchants Capital, visit www.merchantscapital.com.

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