

PRESS RELEASE

Merchants Capital Secures Financing for Workforce Housing in Illinois Medical District

CHICAGO (May 14, 2021) – The Chicago office of mortgage banking company **Merchants Capital** recently secured a **Merchants Bank of Indiana** (MBI) construction loan with a Freddie Mac Forward Commitment for Permanent Financing for the development of Gateway Apartments located in the Illinois Medical District (IMD) in Chicago. The project will be the first new, large apartment development within the boundaries of the IMD in several years.



Located just west of the Chicago Loop, Gateway Apartments will occupy a site within the one-square mile area known as the Illinois Medical District. The area is largely dedicated to medical services, housing two universities, four major hospital complexes and a wide range of related health care facilities. The district is one of the largest medical complexes in the U.S. and is considered the most important concentration of medical services in the Midwest, employing 30,000 people with 50,000 visitors daily.

Set within a larger mixed-use development, Gateway Apartments will provide 161 one- and two-bedroom workforce housing units targeted towards medical personnel, students and faculty who work within the IMD. The project will provide hundreds of construction jobs and opportunities for local minority businesses on the west side of Chicago.

In addition, the site will feature a Hilton Hampton Inn & Suites, 35,000 square feet of retail space and up to 500,000 square feet of Life Science/Medical office space. With support and assistance from the IMD, the existing retail phase of the mixed-use development has attracted several retailers including Starbucks, AT&T, Scrub Depot, Jimmy Johns, Panda Express, Chipotle, Five Guys and Eye Q Optique.

“We are proud to have had the opportunity to partner with such an exceptional team for the development of Gateway Apartments,” said Lee Oller, Executive Vice President of Merchants Capital Chicago. “The paucity of housing within the IMD has been a missed opportunity for years. Securing this complex financing structure and finally bringing new, modern rental housing to the area is an incredible achievement for Merchants Capital and our development partners at East Lake Management & Development.”

“We are thankful for our partnership with the Illinois Medical District, Merchants Capital, the AFL-CIO and Freddie Mac to make Gateway Apartments a reality,” said Tyler Holland at East Lake. “The major

investments that are underway within the Illinois Medical District will be truly transformative for the west side of Chicago.”

This workforce housing project secured Freddie Mac’s first direct purchase by the American Federation of Labor and Congress of Industrial Organizations Housing Investment Trust (HIT). This is part of Freddie Mac’s Private Placement PC Swap, an offering within the Targeted Affordable Housing (TAH) Structured business. The PC Swap provides liquidity for investors, originators and holders of loans backed by multifamily housing collateral, allowing Freddie Mac to meet the individual needs of its customers.

“The HIT is proud of our role working with Merchants Capital and Freddie Mac to design this unique financing structure and serving as the investor in Freddie Mac’s first private placement for this 100% union-built project,” said Mike Cook, HIT’s Chief Portfolio Manager.

Merchants Capital provided seamless construction and permanent financing for Gateway Apartments, thereby creating an affordability component that will benefit individuals who would not otherwise be able to afford the high cost of living in the desirable central area of Chicago.

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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ABOUT MERCHANTS CAPITAL

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 or tax credit equity 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.

ABOUT THE HIT

The HIT is a fixed-income, investment grade mutual fund with \$6.8 billion in net assets. For over 35 years, the HIT has been a leader in putting union and public pension capital to work to produce competitive returns and achieve mission-related collateral objectives. Investors should consider the HIT's investment objectives, risks, and charges and expenses carefully before investing. This and other information is contained in the HIT's current prospectus. To obtain a current prospectus visit the HIT's website at www.aflcio-hit.com.

ABOUT EAST LAKE MANAGEMENT & DEVELOPMENT CORP.

East Lake Management & Development Corp. ("East Lake") has been developing and managing real estate for over 35 years. The firm's development portfolio consists of thousands of market-rate and assisted residential units, commercial properties and institutional facilities throughout the Midwest.

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