

# Montclare Senior Residences of Avalon Park II

*Chicago, IL*

## PROJECT DESCRIPTION

The project involved construction of the second phase of Montclare Senior Residences of Avalon Park on Chicago's South Side. Of the total 122 units in the new seven-story building, 109 units are affordable to lower-income seniors. Project amenities include a community room, library, health screening and exercise rooms, laundry, outdoor recreational areas, transportation, and social services and meals coordinated through the City of Chicago Department of Aging.

## HIT ROLE

The HIT provided \$2.6 million of financing for the \$22.4 million project through the purchase of a taxable Ginnie Mae Permanent Loan Certificate insured under Section 221(d)(4) of the National Housing Act in November 2013. The HIT worked closely with PNC Bank on the project.

This was the second Montclare Senior Residences project the HIT helped finance in Chicago, having provided \$11.2 million for expansion of the development's campus in northwest Chicago in 2003.

## SOCIAL IMPACT

The project represents a new source of quality affordable housing for seniors in Chicago's Avalon Park, a primarily residential community. Almost 90% of the total 122 units are reserved for residents earning between 15% and 60% of the area median income. In addition, 38 of these units have remained affordable through a long-term HUD Housing Assistance Payments contract that preserves the affordability component of the units for 20 years.

Construction of this phase of the residential development utilized 100% union labor, creating an estimated 103 union construction jobs.\*

*\*Job and economic benefit figures in this report are calculated using an IMPLAN input-output model developed by Pinnacle Economics, Inc.*





# Project Profile

## ABOUT THE HIT

*“They [union construction workers] appreciate that the HIT is investing their pension capital in sound investments that also create union jobs and help the community provide decent affordable housing for all its residents.”*

- **Tom Villanova**, President, Chicago and Cook County Building and Construction Trades Council

The AFL-CIO Housing Investment Trust (HIT) is a fixed-income investment company registered with the Securities and Exchange Commission. Its investors include union and public employee pension plans and labor organizations. The HIT invests primarily in government and agency insured and guaranteed multifamily mortgage-backed securities. The HIT is one of the earliest and most successful practitioners of socially responsible impact investing, with a track record beginning in 1984 that demonstrates the added value derived from union-friendly investments. The investment objective of the HIT is to provide competitive returns for its investors and to promote the collateral objectives of constructing affordable housing and generating employment for union members in the construction trades and related industries. More information is available on the HIT’s website, [aflcio-hit.com](http://aflcio-hit.com).

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*This document provides information about a project or projects financed by the HIT which may or may not be reflective of other financed projects or refer to an asset currently held in the HIT’s portfolio. Investors should consider the HIT’s investment objectives, risks, charges, and expenses carefully before investing. This and other information is contained in HIT’s prospectus, available at [aflcio-hit.com](http://aflcio-hit.com) or by calling 202-331-8055. The prospectus should be read carefully before investing.*

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