



Illinois State Treasurer

MICHAEL FRERICHs

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Illinois Treasurer Frerichs, Labor Leaders Highlight New Law Allowing Investment in Affordable Housing Ahead of Labor Day

*AFL-CIO Housing Investment Trust Partnership Will Create Illinois
Jobs, Build Affordable Housing, Generate Investment Returns*

Video will be available here: <https://cms.illinois.gov/agency/media/video/videos.html>

Ahead of Labor Day, Illinois State Treasurer Michael Frerichs, labor leaders, and state legislators on Thursday highlighted a new law that will allow him to make investments to build more affordable housing.

[Senate Bill 3086](#), which passed with bipartisan support in late May, allows Treasurer Frerichs to invest in the AFL-CIO Housing Investment Trust. The fund focuses on building and preserving affordable and workforce housing, creating union construction jobs, and fostering community development.

“The new law is great news as we get ready this weekend to honor workers on Labor Day. This new investment tool will help build homes, create good-paying jobs for Illinois workers, and earn a solid rate of return for Illinois taxpayers,” **Illinois Treasurer Michael Frerichs said**. “The HIT Fund is another example of how our investments can help move our state forward.”

Frerichs and labor leaders toured 400 Lake Shore Drive, a 72-story rental tower. AFL-CIO HIT is financing \$55 million of the \$543 million Related Midwest development, which is expected to generate \$140.3 million in tax revenue, \$948.9 million in total economic benefit, and more than 3.3 million hours of union construction work.

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Scheduled to open in spring 2027, the high rise will be home to 635 residential units, of which 20 percent (127) will be affordable housing restricted to households at or below 50% of the area's median income. The project also is Chicago's first downtown residential tower to give preference to qualified artists and cultural workers as well as veterans and working families. Outreach is ongoing with SAG-AFTRA Chicago, Actors Equity Chicago Area Theatre, IATSE Local 2 Chicago Stagehands, and the Chicago Federation of Musicians, as well as arts and culture groups throughout the city.

Frerichs has looked for ways to help lessen the housing shortage in Illinois. The FIRST Fund, which allows the Treasurer's Office to invest in infrastructure and housing, has worked with investment managers to put money into projects that created 1,260 student accommodations and more than 1,220 residential units, with more than 52% designated as income restricted for families and seniors.

The Treasurer's Office also has invested in three developments that will build 340 residential units through a partnership with IFF, a Chicago-based Community Development Financial Institution that promotes economic development by providing financing and real estate consulting across the Midwest to nonprofits and people underserved by traditional financial institutions, particularly in low-income communities.

Gov. JB Pritzker discussed the benefits of the law in a [signing video](#).

"Our commitment to addressing the housing shortage includes breaking down barriers to housing construction, and that includes access to capital," **Gov. Pritzker said**. "Illinois is putting its money to work in a responsible and beneficial way. We're making capital available to developers building housing that working families can afford. This also creates good-paying union construction jobs, employing highly skilled trades workers across the entire state."

Illinois labor leaders applauded the new law.

"Illinois taxpayers deserve competitive returns, and Illinois workers deserve a state that invests in them. This law delivers both," **said Illinois AFL-CIO President Tim Drea**. "The law is good for our taxpayers and good for our economy."

"Senate Bill 3086 is a tremendous victory for working men and women across Illinois. It gives our state a vehicle to attract investments in affordable housing, strengthening communities, and creating good-paying union construction jobs," **said Michael J. Clemmons, International Vice President for the IBEW 6th District and headquartered in Illinois**. "When Illinois invests in projects built by highly trained union tradespeople, those dollars support family-sustaining wages and benefits, expand housing opportunities, and generate lasting economic growth."

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AFL-CIO HIT has nine projects under construction in Illinois that will add 1,466 housing units, nearly two-thirds of which will be affordable housing, with an investment of almost \$150 million. Among the construction projects: Grace Manor, 400 Lake Shore Drive, 6900 South Crandon, Imani Village Senior Residences, and Willa Rawls Manor in Chicago; Fox Shore in Aurora; The Villager & Briarwood West in Crystal Lake; Southern Hills/Orlando in Decatur; and Two Towers in East Moline. All told, the AFL-CIO Housing Investment Trust has completed 125 projects and generated \$8.4 billion in economic activity in Illinois over the years.

“Investing in housing production and good jobs is an investment in the future of the State of Illinois. The AFL-CIO Housing Investment Trust has a long and proven history of financing housing development responsibly and helping communities create opportunities for residents,” **said Chang Suh, Chief Executive Officer and Chief Investment Officer at AFL-CIO HIT.** “Illinois Treasurer Funds investing with HIT through SB 3086 will strengthen that work, allowing us to continue advancing our mission of creating more housing, supporting good jobs, and delivering meaningful benefits to communities.”

The new law was sponsored by Illinois State Sen. Ram Villivalam and Illinois State Rep. Kevin Olickal.

“This legislation is about making sure Illinois can invest responsibly while also prioritizing projects built or rehabilitated by union labor,” **said Sen. Villivalam, D-Chicago.**

“Illinois should always make sure every taxpayer dollar works as hard as possible, and this common-sense measure gives the state more flexibility to make sound, responsible investments,” **said Rep. Olickal, D-Skokie.** “The AFL-CIO Housing Investment Trust seeks to deliver a fair and secure return while supporting projects built by union labor.”

400 Lake Shore Drive is being co-built by LR Contracting and BOWA Construction. Don Biernacki, Executive Vice President of Construction at Related Midwest and President of LR Contracting, explained the idea behind the partnership with labor.

“The strongest real estate investments generate opportunity and lasting value for the communities they touch. Putting this philosophy into practice, 400 Lake Shore Drive is built with union labor, creating high-paying construction jobs and drawing on the expertise of Illinois’ skilled trade workers,” **Biernacki said.** “Related Midwest’s longstanding relationship with AFL-CIO Housing Investment Trust has accelerated multiple affordable housing developments statewide, with 400 Lake Shore Drive adding 127 affordable apartments to Chicago’s lakefront. Located at the gateway to both the city and the state, 400 Lake Shore Drive shows how industry-leading commitments to housing affordability and union labor can be achieved in even the most ambitious and transformational real estate developments.”

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About the Treasurer

The Illinois State Treasurer's Office is a powerful economic engine that invests in people to drive prosperity, development and growth throughout the state. As State Treasurer, Michael Frerichs (FRAIR'iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$60 billion. The investments help families pay for college and trade school; workers save for a dignified retirement; and local governments process bill payments more efficiently so they can pass along the savings to taxpayers. The office provides financial institutions with money to loan to farmers, small business owners, and qualified individuals at below-market rates because better jobs create stronger communities. The office operates the state's largest consumer-protection initiative, the missing money ICash program, which has returned a record-breaking \$2.6 billion since Frerichs was elected.

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