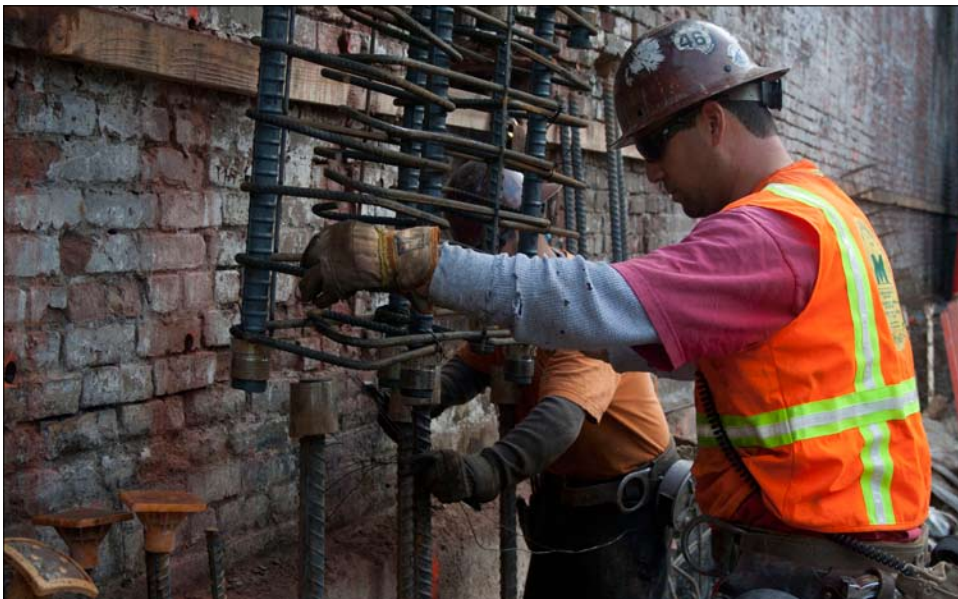




# INVESTOR

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## HIT Construction Jobs Initiative Passes Goal of 10,000 Union Jobs



The HIT-financed Arc Light Co. project in San Francisco is generating approximately 275 union construction jobs. A groundbreaking was held recently at the site of the \$48 million property (see page 5).

**T**he Construction Jobs Initiative of the AFL-CIO Housing Investment Trust has surpassed its goal of creating 10,000 union construction jobs by this spring – a goal set less than two years ago in support of the AFL-CIO's call to action on high unemployment. Four new project commitments since the start of

2011 put the HIT over its target. “We do not intend to stop now,” said Chief Operating Officer Ted Chandler. “We have a strong pipeline of projects under review, and many of these should offer sound investment opportunities for our portfolio over the next 18 months, bringing many more union members back to work.” (continued, page 2)

“The HIT and its investors are making pension capital part of the solution to the economic crisis through sound, job-generating investments.”

-Richard L. Trumka, President, AFL-CIO

### Newest Minnesota Investments

The HIT is providing \$50 million to help finance the substantial rehabilitation of the historic **Riverside Plaza** apartment complex in Minneapolis. The work will modernize the project's 1,303 units, of which 90% will serve low- and middle-income residents. The \$123 million project will create an estimated 635 union construction jobs.



A recent HIT commitment of \$4.7 million will help finance construction of the first phase of a new \$11.2 million, 48-unit senior cooperative in Roseville, Minnesota, known as **Applewood Pointe of Roseville at Langton Lake**. This project will generate approximately 70 union construction jobs.



Altogether the HIT has financed seven projects in Minnesota through the



Construction Jobs Initiative. The projects, including the recently completed **Ellipse on Excelsior** near Minneapolis (above), have created 1,831 housing units and approximately 1,350 union construction jobs.

# 10,000 Union Construction Jobs *continued from page 1*

With the newest 2011 commitments, including projects expected to close in the next few weeks, the Construction Jobs Initiative is helping create more than 10,000 jobs for union construction workers on over 30 projects in 18 cities, including Boston, Chicago, Milwaukee, New York, St. Louis, San Francisco, and the Twin Cities.



That represents nearly \$1.8 billion of development activity leveraged by over \$800 million in Housing Investment Trust financing. The projects offer more than 9,000 housing and healthcare units.



“The success of the Construction Jobs Initiative clearly demonstrates the value of union pension capital as a catalyst for jobs at a time when construction unemployment is still 20%,” Chandler said. “With support from our investors,

we plan to redouble our efforts to keep union members working and communities growing.”



In addition to creating more than 10,000 union construction jobs directly, the Construction Jobs Initiative has helped indirectly to stimulate thousands of jobs in other sectors of the economy, including suppliers and service providers to the projects.

## FINANCING HOUSING AND JOBS IN ST. LOUIS METRO AREA

**T**he HIT is providing \$42 million in financing for two multifamily developments in the greater St. Louis area that will



*Council Tower*

especially hard hit.

provide a total of 459 units of multifamily housing, while creating over 400 union construction jobs in an area where the construction industry has been

The HIT’s investment of \$15.8 million in the \$29.7 million **Council Tower Senior**

**Apartments** project in Midtown St. Louis will help the city serve the housing needs of low-income elderly residents. Built in 1968, Council Tower has 227 units of senior housing, with 90% of the units to be designated as affordable. The HIT is helping finance renovation work to modernize and upgrade the aging building.

In O’Fallon, Illinois, a community in the St. Louis Metro-East area, construction is underway on the \$28.2 million **Parkway Lakeside** development. The HIT is contributing \$26.1 million of the project’s financing. The new complex will include multiple two-story buildings offering 232 market-rate housing units.

The HIT has now financed five projects in the St. Louis area under the Construction Jobs Initiative. With \$174 million of HIT financing, these projects are creating more than 2,550 union construction jobs as well as 1,110 new or rehabilitated housing units for local residents.



*Parkway Lakeside*

# Groundbreaking for \$56 Million Moderne



*Celebrating The Moderne's groundbreaking are (from right) HIT's Mike Arnold, Milwaukee BCTC President Lyle Balistreri, Milwaukee Alderman Robert Bauman, HIT's Stephanie Wiggins, Tom Sigrist of Berkadia Commercial Mortgage, and HIT's Terrance Pearson.*

“The union pension dollars invested in The Moderne will bring good union jobs and economic development to Milwaukee.”

**-Lyle Balistreri**  
President, Milwaukee Building and Construction Trades Council.

**R**epresentatives of the HIT joined labor, civic, and business leaders in Milwaukee in February to celebrate the official groundbreaking for The Moderne – a 30-story residential tower being built in the city's downtown Park East Corridor.



The HIT is providing \$42.4 million of financing for the \$56 million project, which includes 203 market-rate rental units on the first 27 floors of the new tower. The building will also have over 7,000 square feet of commercial and retail space and 14 condominium units.

The project is expected to generate an estimated 378 union construction jobs.



*Milwaukee Mayor Tom Barrett (left) with developer Rick Barrett at the construction site.*

“The union pension dollars invested in The Moderne will bring good union jobs and economic development to Milwaukee,” said Lyle Balistreri, President of the Milwaukee Building and Construction Trades Council.

Milwaukee Mayor Tom Barrett hailed the “strong partnerships and shared

vision” underlying the project. “The people building The Moderne will earn good wages, and they will construct a tower that the entire city can be proud of,” he said.

HIT Executive Vice President and Chief Investment Officer Stephanie Wiggins added that the investment “not only strengthens our portfolio, but it also creates hundreds of family-supporting jobs for our union brothers and sisters here in the Milwaukee building trades and serves as a catalyst for the city's downtown redevelopment efforts.”

Also participating in the event were Marlyn Spear of the Building Trades United Pension Trust Fund (Milwaukee and Vicinity) and a HIT board member; developer Rick Barrett of Barrett Visionary Development; and HIT Senior Executive Vice President Emeritus Mike Arnold.

## Building America CDE Gets \$35 Million of Tax Credits

**B**uilding America CDE, Inc. (BACDE), a subsidiary of the HIT, has been awarded a \$35 million allocation of tax credits under the federal New Markets Tax Credit program. BACDE will use the tax credits to attract investors for high-impact projects in under-served communities, creating needed housing, jobs, and economic development.



Eric W. Price

BACDE is one of 99 organizations awarded a total of \$3.5 billion in New Markets Tax Credits (NMTCs), according to the U.S. Treasury Department. Two hundred and fifty organizations had applied for an award.

“We are pleased to be chosen to participate in this effort to meet the needs of communities that are often overlooked by traditional investors,” said Eric W. Price, CEO of BACDE. “The tax credits will help fill gaps in financing to make

innovative development projects possible.” The equity investors will be able to claim the tax credits on their federal tax returns.

BACDE has identified prospective projects that include mixed-use housing and commercial developments, as well as healthcare facilities. It is evaluating prospective projects with the goal of making financing decisions by late spring.

“We expect many of these projects could offer sound investment opportunities for the HIT as a debt lender,” said HIT Executive Vice President and Chief Portfolio Manager Chang Suh. “BACDE’s allocation of tax credits should serve as a catalyst for the kinds of community development projects in which the HIT specializes.”

This is the first NMTC allocation for BACDE, which was established by the HIT in 2010 and certified by the Treasury Department as a Community Development Entity, making it eligible to offer the tax credits to investors.

## HIT CHAIRMAN SWEENEY RECEIVES PRESIDENTIAL MEDAL OF FREEDOM



President Barack Obama presented the Presidential Medal of Freedom, the nation’s highest civilian honor, to HIT Chairman John J. Sweeney at a White House ceremony on February 15. Mr. Sweeney was honored for his lifelong service to America’s working people.

“It is with great admiration and respect that I accept this award on behalf of hard-working Americans,” Mr. Sweeney said. “I am deeply fortunate to have been able to devote my life to protecting and promoting the rights of working families everywhere.”

AFL-CIO President Richard Trumka praised the choice of Mr. Sweeney for the award. “Of the many great individuals who have received the Presidential Medal of Freedom, none are more deserving than John Sweeney,” he said. “John’s integrity, commitment and passion for the least among us has earned him an award that all of labor can be proud of.”

A White House statement called Mr. Sweeney “a strong voice for working people.” The statement went on to say that “as President of the AFL-CIO, he revitalized the American labor movement.”

## HIT WELCOMES IUPAT’S KENNETH E. RIGMAIDEN AS NEWEST BOARD MEMBER



Kenneth E. Rigmaiden

The HIT Board of Trustees welcomed Kenneth Rigmaiden, Executive General Vice President of the International Union of Painters and Allied Trades (IUPAT), as its newest member. Rigmaiden’s distinguished career in the labor movement spans more than three

decades. He began his career with the union in San Jose, California, in 1977.

“The Painters have long been active supporters of the HIT, and we are very pleased that Ken Rigmaiden has been elected to serve as a trustee,” said Board Chairman John Sweeney. “He brings to the HIT board a deep commitment to improving the quality of life for our union brothers and sisters.”

# Celebrating \$35 Million HIT Investment in Two San Francisco Housing Projects



At the Arc Light Co. site (left to right): HIT's Rod DuChemin, Mike Theriault of the San Francisco BCTC, HIT's Ted Chandler, and project developer Patrick McNerney.

“We are proud that union pension capital is helping finance this union-built project, which will get many of our members working again.”

-Mike Theriault

Secretary-Treasurer, San Francisco Building and Construction Trades Council



The announcement was made at the groundbreaking ceremony for another HIT-financed project in the area, the 94-unit Arc Light Co. residences, which is expected to create approximately 275 union construction jobs.

Secretary-Treasurer Mike Theriault of the San Francisco Building and Construction Trades Council commended the HIT's investment in Potrero Launch. “We are proud that union pension capital is helping finance this union-built project, which will get many of our members working again,” Mr. Theriault said.

“Potrero Launch will be a key catalyst for economic development and revitalization at a time when new construction in San Francisco has come to a virtual halt for lack of investment capital,” added developer Patrick McNerney, President of Martin Building Company.

HIT Director of Labor Relations Rod DuChemin gave special thanks to the San Francisco Building and Construction Trades Council, its affiliates, and their members, “whose pension money makes it possible to do projects like this.”



Ted Chandler, HIT Chief Operating Officer, described the Potrero Launch project as an attractive investment opportunity, saying that “the HIT is pleased to support San Francisco's community revitalization efforts with our combined investments of \$35 million in Potrero Launch and Arc Light Co.”

**C**ontributing to San Francisco's efforts to increase housing development and business activity in city neighborhoods, the HIT, Martin Building Company, and Citi Community Capital announced financing for the \$80.4 million Potrero Launch project in the Central Waterfront area. The new development will produce 196 rental units, create more than 460 union construction jobs, and provide affordable housing, child care, and commercial development.

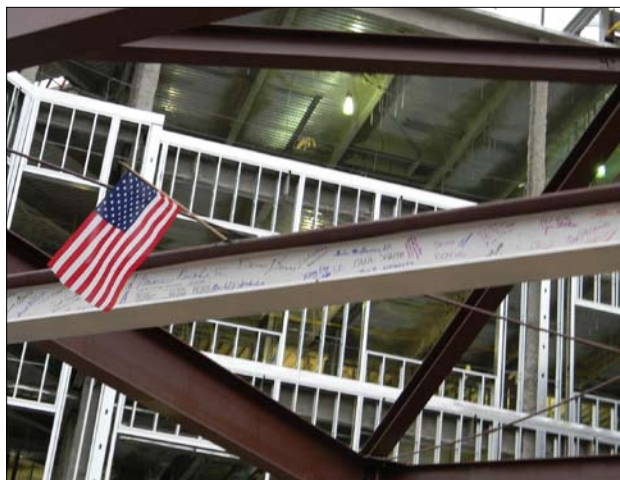
# “Topping Out” at HIT-Financed Pediatric Center in New York



Members of Ironworkers Local 40 at Elizabeth Seton Pediatric Center, Yonkers, NY.

Union workers on the construction site of the \$116 million Elizabeth Seton Pediatric Center in Yonkers, New York, celebrated a “topping out” ceremony, marking completion of the steel-frame construction. Representatives of the Pediatric Center were on hand as the last beam was put into place by members of Ironworkers

Local 40. The HIT is providing \$100 million in financing for the new state-of-the-art facility, the largest single investment in the HIT’s 45 years of socially responsible investing. Work on the project is generating approximately 800 jobs for members of the local building and construction trades unions.



## AFL-CIO HOUSING INVESTMENT TRUST

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**Ted Chandler**, *Chief Operating Officer*

**Erica Khatchadourian**, *Chief Financial Officer*

**Chang Suh**, *Executive Vice President and Chief Portfolio Manager*

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