

Project Profile



WORKFORCE HOUSING

PROJECT DESCRIPTION

HIT ROLE

AFL-CIO HOUSING INVESTMENT TRUST

West Village Houses

New York, NY

As a part of its effort to help working people to live close to their jobs in housing they can afford, the AFL-CIO Housing Investment Trust (HIT) seeks to increase homeownership opportunities for families in high-cost urban areas such as New York City. These investments not only improve the quality of life for working families but also create healthier, more vibrant communities.

The West Village Houses complex is made up of 420 multifamily units in 42 five- and six-story walk-up buildings. Located in the highly desirable West Village section of Manhattan, this 1960s-era development is now a tenant-owned cooperative, after HIT's financing allowed current tenants to purchase their units. Tenants who chose not to purchase were permitted to continue renting at below-market rates.

The unit mix at West Village Houses consists of one-, two-, three-, and four-bedroom units. The complex includes a parking garage.

The purchase of a \$40 million Fannie Mae mortgage-backed security in 2005 allowed the HIT to provide a permanent loan to cover the refinancing of West Village Houses and preserve affordability for the 420 units. In addition, the project benefited from tax relief under New York State's Mitchell-Lama Program for moderate- and middle-income housing.

HIT financing was used for acquisition and restructuring of the property so that the tenants could ultimately purchase the property under a tenant-sponsored, non-eviction plan, cooperative structure that preserves affordability. Most of the tenants had never owned a home before, and HIT staff arranged for them to receive homeownership education in preparation for their purchase.

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SOCIAL IMPACT

To help tenants work through the long conversion process, the HIT worked closely with the West Village Houses Tenants' Association to create an appropriate loan product to meet their specific needs and ensure a successful conversion.

This project provided current tenants with an affordable means of staying in their homes, either through preserving affordability of rental units or creating new homeownership opportunities. The conversion of this 420-unit rental apartment building into a cooperative allowed the residents to become homeowners in Manhattan at below-market costs. The terms of the conversion also preserved the affordability of rental units for any tenants who chose to remain as renters.

ABOUT THE HIT

With over \$3.5 billion in assets, the AFL-CIO Housing Investment Trust provides financing for the development of multifamily projects around the country through secured mortgages. The HIT can provide construction, permanent and bridge loan financing for market-rate and affordable housing through the use of its various investment products. All projects financed by the HIT must be constructed using 100% union labor. HIT's labor relations staff is available to help developers meet this requirement.

AFL-CIO HOUSING INVESTMENT TRUST

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