



Covenant Place II

St. Louis, MO

PROJECT DESCRIPTION

The AFL-CIO Housing Investment Trust (HIT) is helping to finance the \$24.5 million construction of Covenant Place II, a 102-unit, affordable senior apartment project located in St. Louis, Missouri. The project will be a four-story building with surface parking that will replace the 102-unit pre-existing Covenant Apartments II building. The phased development plan allows current residents to remain in place while the new building is constructed. The universal design allows ease-of-use by residents with a broad range of housing and accessibility needs. Room features include visual alerts for doorbells, smoke detectors for those who are hard-of-hearing, and adequate cabinets and storage within reach range for residents using wheelchairs.

HIT ROLE

The HIT is purchasing \$6.7 million of Ginnie Mae construction loan certificates and a permanent loan certificate backed by a HUD/FHA-insured Section 221(d)(4) mortgage from Gershman Investment Corporation. McCormack Baron Salazar will serve as the developer for this project. Property management will be handled by Community Housing Management Corporation, a Missouri non-profit corporation.

SOCIAL IMPACT

The current Covenant Place community has served low income seniors for over 40 years, but the buildings are functionally obsolete. Covenant Place II, the second of three development phases, is replacing the 102 Section 8 subsidized one-bedroom units. An existing HAP (Housing Assistance Payments) contract will be preserved and transferred to the new building and all units will serve residents at or below 50% of area median income. The building is also designed to achieve Enterprise Green Communities Criteria. These features will reduce construction waste and provide healthy indoor and outdoor living environments, which are critical for residents who have health concerns such as emphysema or asthma. The new Senior Lifestyle Center on the ground floor will offer support services to a larger group of seniors in the surrounding community, creating a better quality life for both resident and non-resident seniors.

The project is expected to generate approximately 235,000 hours of union construction work.

Project Profile

ABOUT THE HIT

“We appreciate the HIT’s ongoing support of union construction for multifamily and senior housing projects in the St. Louis metro area and recognize the benefits provided to the workers and the community.”

—John Stiffler, Executive Secretary - Treasurer, St. Louis B.C.T.C.

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 of over 30 years 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, www.aflcio-hit.com.

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