



# Potrero Launch Apartments

*San Francisco, CA*

## PROJECT DESCRIPTION

The \$80.4 million Potrero Launch mixed-use complex in San Francisco's Central Waterfront community includes 196 rental housing units, 39 of which are reserved for low-income residents. The project also includes a restaurant, grocery store, child care center, retail stores, and underground parking, as well as almost 18,000 square feet of usable open space. The project combined new construction with the redevelopment of two existing warehouses.

## HIT ROLE

The HIT worked closely with Citi Community Capital, the construction lender, to put together a creative financing package for Potrero Launch. Citi Community Capital utilized a Freddie Mac forward commitment to fund the permanent loan. The HIT committed to purchase \$2.6 million in taxable bonds upon conversion to a permanent loan, with Freddie Mac providing the credit enhancement for both the tax-exempt and taxable bonds. This was the HIT's second investment in San Francisco in 2010. The HIT had earlier provided \$32.5 million in financing for the Arc Light Co. residences located in San Francisco's South Beach area.

## SOCIAL IMPACT

Potrero Launch is contributing to San Francisco's effort to develop downtown neighborhoods with a mix of housing and commercial activity. The project provides 196 new units of downtown housing, including affordable housing. It also serves as a catalyst for economic development and job creation in the Central Waterfront community. Work on the project generated approximately 575 union construction jobs for members of the local building and construction trades unions.

With its many green features, including almost 18,000 square feet of usable open space, Potrero Launch is designed for LEED Homes Gold certification in addition to its participation in the California Multifamily New Homes Program, Go Solar SF Program, and New Solar Homes Program.

# Project Profile



## ABOUT THE HIT

*“The HIT has been so helpful, both by lending to get our members building again when other lenders have gone missing and by moving a project we’ve pursued for years the last step to being built all union.”*

**-Mike Theriault, Secretary-Treasurer**  
San Francisco 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 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](http://www.aflcio-hit.com).

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