



AFL-CIO HOUSING INVESTMENT TRUST

Imperial Hotel

Atlanta, GA

Project Profile

HOUSING FOR THE HOMELESS

PROJECT DESCRIPTION

HIT ROLE

Investing in housing for the homeless is one of the ways that the AFL-CIO Housing Investment Trust (HIT) has helped those who desperately need shelter. Projects like the Imperial Hotel have helped communities provide supportive services that make a measurable difference in residents' quality of life.

The Imperial Hotel project involved the substantial rehabilitation of a historic eight-story hotel building located in the northern end of Atlanta's central business district. The building was listed on the National Register of Historic Places and it was approved by the National Park Service for historic tax credits related to the renovation.

The renovation produced 120 efficiency and one bedroom rental units for low and very low income individuals with special needs. Upon completion of the rehabilitation in May of 1998, thirty-five of the 120 units were rented to homeless individuals.

Site amenities include a library, conference room, laundry room, dining room, office space, common kitchen and additional common space for resident use. A range of social service programs designed to address the needs of the residents have been provided on-site by a nonprofit provider of primary care, education and social services to Atlanta's homeless and working poor.

With its technical expertise in structuring layered affordable housing financing, the HIT was an integral part of the financing package for the Imperial project. Financing combined a permanent loan of \$1.7 million from the HIT, a subordinate loan from the Georgia Housing and Finance Authority, HOME funds from the City of Atlanta, a loan from the Federal Home Loan Bank, Low Income Housing Tax Credit equity, and an equity contribution from the non-profit sponsor. The total development cost of the project was \$9.4 million.

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SOCIAL IMPACT

The HIT issued a forward commitment in 1995 to lock in the interest rate on the permanent loan prior to the construction loan closing, and it purchased a Fannie Mae mortgage-backed security in the amount of \$1.7 million at construction completion. In addition to investing in the permanent loan, the HIT provided a Section 8 project-based subsidy from its Community Investment Demonstration Program with HUD in the amount of \$7.1 million for 73 of the 120 units in the project. The Section 8 subsidy was an important part of the financing structure, and it qualified the project to receive additional rent subsidies for the low-income tenants.

The Imperial Hotel project created supportive housing for low- and very low-income people with special needs, including 35 formerly homeless individuals. The rehabilitation work generated an estimated 85 family-supporting union jobs* and helped the City of Atlanta with its downtown revitalization program.

ABOUT THE HIT

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 beginning in 1984 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, aflcio-hit.com.

**Job and economic benefit figures in this report are calculated using an IMPLAN input-output model developed by Pinnacle Economics, Inc.*

This document provides information about a project or projects financed by the HIT which may or may not be reflective of other financed projects or refer to an asset currently held in the HIT's portfolio. Investors should consider the HIT's investment objectives, risks, charges, and expenses carefully before investing. This and other information is contained in HIT's prospectus, available at aflcio-hit.com or by calling 202-331-8055. The prospectus should be read carefully before investing.

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