



FloCo Fusion

Minneapolis, MN

PROJECT DESCRIPTION

The \$16 million FloCo Fusion project involved the construction of a new 84-unit apartment building, which was part of the major renovation and redevelopment of a historic housing site in southeast Minneapolis. The FloCo Fusion apartments occupies the north side of Florence Court, accompanying nineteenth century townhouses on a site located a few blocks from the University of Minnesota. The development consists of three attached low-rise buildings, with two levels of underground parking.

HIT ROLE

The HIT provided financing for the project through the purchase of a \$13.5 million FHA-insured taxable construction and permanent mortgage loan securitized with a Ginnie Mae mortgage-backed security in July 2010.

SOCIAL IMPACT

The FloCo Fusion project provided 84 new units of housing in an area bustling with students. It was also an important element in a neighborhood redevelopment plan that included restoration of some of Florence Court's original structures, including a row of Queen Anne-style townhouses that are among the oldest apartments in Minneapolis. Built in 1886, they are considered an excellent example of the city's early urban planning efforts.

Work on the FloCo Fusion project generated an estimated 88 jobs for members of the local building and construction trades unions.*

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



ABOUT THE HIT

Project Profile

“The union pension dollars that the HIT is investing in this latest project will help keep our members working and our communities growing.”

-Scott Gale, then Business Manager,
Minneapolis 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 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.

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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