



Gabilan Plaza

Salinas, CA

PROJECT DESCRIPTION

Gabilan Plaza is a multifamily development in Salinas, CA, a city located in California's Central Coast area south of San Jose. The United Brotherhood of Carpenters and Joiners Local 925 Housing Sponsorship Corporation was the original nonprofit sponsor for the development, which was built under HUD's Section 236 subsidized housing program. The property provided affordable housing for over 40 years. The AFL-CIO Housing Investment Trust's (HIT) investment funded exterior and interior rehabilitation work at Gabilan Plaza, which consists of 26 garden-style apartment buildings with 200 affordable rental units.

“We appreciate the HIT’s commitment to creating jobs for our members and preserving affordable housing for residents of our community.”

—Ron Chesshire, Chief Executive Officer, Monterey/Santa Cruz Counties BCTC

HIT ROLE

The HIT helped finance this \$43.3 million project by purchasing a \$16.8 million taxable Ginnie Mae construction/permanent loan certificate in May 2014. The HIT worked closely with TerraCorp Financial, Inc., the management agent for the property, which represents the original nonprofit corporation. The Gabilan Plaza Apartments were first built between 1970 and 1975, and the original construction financing came from the HIT's predecessor fund, the Mortgage Investment Trust.

SOCIAL IMPACT

Gabilan Plaza Apartments is helping to address the escalating demand for affordable rental housing in Salinas by preserving and maintaining its existing affordable units. This project ensures that residents of the Salinas community will continue to have access to quality rental housing. The all-union rehab and retrofit work helped Gabilan meet modern energy efficiency requirements and has created green construction jobs for union members.

Project Profile

ABOUT THE HIT



All of the units are income restricted, with 10% designated for households earning up to 50% of the area median income and the rest reserved for families earning up to 60% of the area median income.

This project generated more than an estimated 226 union construction jobs.*

“It is especially meaningful for us to work with a local union-affiliated affordable housing developer, as the labor movement has long been at the forefront of creating affordable housing.”

—Ted Chandler, Chief Operating Officer, 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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