Project Profile

McCormack House
St. Louis, MO

SENIOR HOUSING

As a strong advocate of quality, affordable housing for seniors, the AFL-CIO Housing Investment Trust (HIT) is helping expand this valuable resource. Its work in senior housing includes the financing of communities for those who want to maintain an independent lifestyle, as well as developments that offer supportive services so important to helping seniors maintain their quality of life.

PROJECT DESCRIPTION

McCormack House involved the new construction of 96 rental units in an assisted living facility for low- and moderate-income seniors in St. Louis, MO. Each unit includes a living room, bedroom, handicapped-accessible bathroom, kitchen and personal emergency response system. The facility offers such residential support services as a common dining room, a central kitchen, recreational areas, and counseling and "care giver" spaces and offices.

McCormack House, a 96-unit complex that opened in 1998, became the first apartment facility in the metropolitan area to offer such services as meals and limited medical attention for low- and moderate-income senior citizens. The apartment complex provides services for residents who might need help with dressing, bathing, and taking medication. It is designed for elderly who wish to stay independent and not live in a nursing home.

Social service programs and ground transportation are included in the rent and families have the option of paying for meal service, weekly housekeeping and laundry service, a daily medication reminder and assistance in daily living and case management.

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HIT ROLE

The HIT developed an innovative financing approach for this $6.3 million project to take advantage of the availability of a low-interest loan provided by Missouri Housing Development Commission (MHDC). The MHDC and the HIT developed a blended interest rate structure to finance the $1.5 million construction and permanent FHA Risk Share loans. The blended rate allowed for a one percent interest rate on the first $500,000 and competitive taxable interest rate with flexible loan terms from the HIT on the balance of the loan funds. The financing combined a blended interest rate on the construction and permanent loans processed through FHA's Section 542 (c) Risk Sharing Loan Program, a Community Development Block Grant loan from the City of St. Louis, developer equity and a corporate contribution.

SOCIAL IMPACT

The 96-unit McCormack House was the first apartment facility in the St. Louis metropolitan area to offer such services as meals and limited medical attention for low- and moderate-income senior citizens. This helped support the efforts of the City of St. Louis to meet the diverse housing needs of its older residents. Construction of this project created approximately 48 family supporting union jobs.

ABOUT THE HIT

The AFL-CIO Housing Investment Trust (HIT) is a fixed-income investment company registered with the Securities and Exchange Commission. It manages $4.6 billion in assets for over 365 investors, which include union and public employee pension plans. 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, economically targeted investing, with a track record of almost 50 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. Since its inception, the HIT has invested over $6.5 billion to finance more than 105,000 units of housing nationwide, generating more than 70,000 union jobs. More information is available on the HIT's website, www.aflcio-hit.com.