

Project Profile



HOPE VI

PROJECT DESCRIPTION

HIT ROLE

AFL-CIO HOUSING INVESTMENT TRUST

North Town Village

Chicago, IL

The AFL-CIO Housing Investment Trust (HIT) helps cities such as Chicago to make use of HUD's HOPE VI program to replace run-down and outdated public housing projects with new, revitalized developments providing homes for former residents of the projects.

North Town Village was built as part of the City of Chicago's Near North Redevelopment Initiative. The overall goal of this initiative was to improve and revitalize portions of the Chicago Housing Authority's Cabrini-Green high-rise complex and the underutilized blocks surrounding the former public housing project. The new development includes attractive low-rise rental apartment buildings for mixed-income families, together with market rate homes for purchase, all designed to create a vibrant new community. As part of the city's plan, the dense development of the notorious Cabrini-Green complex was replaced by an open street grid, and residents were relocated to affordable housing nearby or in other Chicago neighborhoods.

The portion of the North Town Village project financed by the HIT in 2000 consists of 116 newly constructed units located in five residential buildings on a 37,500 square foot site. The unit mix consists of 48 one-bedroom units, 52 two-bedroom units, 12 three-bedroom units and 4 four-bedroom units. Of the total units, 42% (49) were set aside for very low-income families, 25% (29) for low-income families, and 33% (38) were rented at market-rates. In addition, 34% of the units were set aside for public housing residents, the majority of whom were former Cabrini-Green residents. Project amenities included a community center, rooftop exercise room, on-site laundry facilities, bike and tenant storage rooms and 102 indoor parking spaces.

The HIT's participation in this project grew from its successful relationship with the Illinois Housing Development Authority and its expertise in FHA financing. The HIT purchased a Participation Certificate for the project in the amount of \$2.6 million under the FHA's Section 542 (c) Risk Sharing Loan Program.

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SOCIAL IMPACT

Because of its competitive interest rates and flexible loan terms, the HIT participated in both the construction and permanent financing. The financing combined a taxable loan structured through FHA Risk Sharing Program, Chicago Public Housing Development funds, HOME funds and low-income housing tax credit equity. The total development cost of the project was \$23.6 million.

The North Town Village project supported the Chicago Housing Authority's plan to replace high density, high-rise public housing projects with an economically integrated community of attractive low-rise buildings and green spaces that would become a neighborhood of choice. The project created 78 affordable rental units and 38 market rate units. The construction work generated an estimated 120 jobs for union members.

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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