



AFL-CIO HOUSING INVESTMENT TRUST

Seward Towers East & West

Minneapolis, MN

Project Profile

PROJECT DESCRIPTION

The AFL-CIO Housing Investment Trust is helping to finance the \$99 million substantial rehabilitation of two, 21-story 320-unit residential towers in the Seward neighborhood of Minneapolis, one of the city's older neighborhoods. The towers were built in 1969 and 1970 and occupy sites with a combined 8.2 acres. Each site includes studio, one- and two-bedroom units; a parking garage and surface parking; a large community room; a playground area; a common laundry facility; and a unique resource for residents called an Advantage Center. These two centers are meant to provide various programs, including English classes, early childhood education, youth development programs, homework help and tutoring; and employment and financial coaching and support.

HIT ROLE

The HIT is providing \$29.8 million in financing for Seward Towers through the purchase of Ginnie Mae construction and permanent loan certificates. Financing for the project also includes various federal, state, and county funds. The HIT worked closely with mortgage lender JLL. CommonBond Housing will continue to manage the property.

SOCIAL IMPACT

The preservation of affordable housing at the rehabilitated buildings will help Minneapolis meet the high demand for rental housing, particularly affordable housing. Of the total 640 units, 98% will be designated affordable to residents with incomes at or below 60% of area median income. The renovations will include asbestos abatement, exterior cladding, new energy efficient windows, and individual unit heating controls. The towers are transit-oriented – located close to light rail and bus stops and an outlet for HourCar, a car sharing service for those without a personal vehicle. Furthermore, existing resources, including retail, hotel, educational, entertainment, theater and museum opportunities are within walking distance.

The project is expected to generate approximately 270 union construction jobs.



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ABOUT THE HIT

“Union pension funds are being invested to create jobs and provide affordable housing for working families. It’s not easy to do either in today’s economy. But the HIT has a formula that is working in Minneapolis and in other communities.”

—Dan McConnell, 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 that manages over \$5.5 billion in assets for over 380 investors, including union and public employee pension plans. The HIT invests primarily in government/agency insured and guaranteed multifamily mortgage-backed securities. With a more than 30-year record that demonstrates the value of union-friendly investments, the HIT is one of the earliest and most successful practitioners of responsible, economically targeted investing. HIT’s investment objective is to provide its investors with competitive returns and promote the collateral objectives of generating affordable housing and jobs for union members in the construction-related trades. Since 1984, the HIT has invested over \$10 billion (in current dollars) to finance over 101,000 units of housing, creating nearly 76,000 union construction jobs. More information is available on HIT’s website, www.aflcio-hit.com.

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