

# Project Profile



## URBAN REVITALIZATION

## PROJECT DESCRIPTION

## HIT ROLE

## AFL-CIO HOUSING INVESTMENT TRUST

# The Wellstone

## *Minneapolis, MN*

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The AFL-CIO Housing Investment Trust (HIT) helps cities carry out their urban revitalization programs by providing financing for downtown housing for residents in a range of income levels. Projects such as The Wellstone in Minneapolis illustrate how blighted urban neighborhoods are being transformed into vibrant communities offering quality mixed-income housing and proximity to downtown employment, public transportation, retail stores and recreational facilities.

The Wellstone is a four-story mixed-use project consisting of residential and commercial space built over one level of underground parking. Located near Minneapolis' downtown business district, the Wellstone's 49 units range from studios to three-bedroom apartments, with 75% of the units reserved for families earning 60% or less of the area median income. The 2007 project was the third phase of the city's Franklin-Portland Gateway redevelopment plan to transform a troubled community into a safe and vibrant place to live and work.

The financing for this project combined Low Income Housing Tax Credits from the City of Minneapolis; homeless funds from the Minnesota Housing Finance Agency; Family Housing Fund dollars; Hennepin County Transit Oriented Development funding; a county Environmental Response Fund grant; and funds from Minnesota Green Communities and other foundations focusing on environmental issues.

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## SOCIAL IMPACT

The HIT financed a \$4.1 million FHA-insured construction/permanent loan under HUD's Section 221(d)(4) program securitized with a Ginnie Mae mortgage-backed security. The total development cost of the project was \$13 million.

The Wellstone project created 49 units of new mixed-income housing, 75% of which was reserved for lower-income residents. Four of these units were designated for individuals experiencing long-term homelessness. The project was an integral part of a redevelopment drive underway along one of Minneapolis' busy commercial and transit corridors near the downtown business district. Because of the many "green" and sustainable features included in the project's design, The Wellstone project demonstrated that it is feasible to create housing that is both affordable and environmentally friendly.

Work on The Wellstone generated approximately 90 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](http://www.aflcio-hit.com).

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