

Westmoreland's Union Manor

Portland, OR



PROJECT DESCRIPTION

The AFL-CIO Housing Investment Trust (HIT) is helping to finance the rehabilitation and energy and seismic retrofitting of the 300-unit, seven-story Westmoreland's Union Manor built in Portland, Oregon nearly 50 years ago for residents age 62 and older. The facility features a beauty salon, resident garden, craft room, exercise room, computer room, woodshop area, small library and a small convenience store for its residents.

HIT ROLE

The HIT is providing \$26 million of financing for the project through the purchase of taxable Ginnie Mae construction loan certificates and a permanent loan certificate. The capital will be used to refinance the project and rehabilitate the existing building. The major systems of the apartment structure will be replaced by energy efficient systems and a seismic retrofit of the building. The HIT worked closely with ACRE Mortgage and Financial and the developer, Union Labor Retirement Association, to facilitate the restoration for the \$60 million project.

SOCIAL IMPACT

Westmoreland's Union Manor is located in the Sellwood-Moreland neighborhood five miles south of downtown Portland on the east side of the Willamette River. The project was originally built in 1966 and is in need of major restoration. The HIT's financing will help preserve affordability of the project, where over one-half of the units are affordable to extremely low-income households with incomes at less than 30% of area median income. Without this refinancing, the maturity of its existing loan would have caused many of the low-income senior renters to face a stark cost burden with the elimination of rent restrictions.

Project Profile

ABOUT THE HIT



The project has received an award for a Senior Preservation Rental Assistance Contract (SPRAC) from HUD, which will provide long term project based rental assistance to any current unassisted tenants earning at or below 80% the area median income. The contract requires that the SPRAC units be re-leased to tenants earning at or below 50% the area median income.

Through modernization of the complex's major systems as well as the addition of insulation, the building looks to realize greater efficiency and extend the life of the structure another 50 years.

The project was renovated by Walsh Construction with 100% union labor and is expected to create approximately 290 union construction jobs.

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 of over 30 years that demonstrates the added value derived from union-friendly investments. The investment objective of the HIT is to prove 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, www.aflcio-hit.com.

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