



OFFICE OF THE GOVERNOR

ROD R. BLAGOJEVICH - GOVERNOR

# NEWS

**FOR IMMEDIATE RELEASE:**

May 22, 2005

**CONTACT:**

Cheryle Jackson 312/814.3158  
Abby Ottenhoff 312/814.3158  
Rebecca Rausch 217/782.7355  
Gerardo Cardenas 312/814.3158  
Jennifer Wood (IHDA) 312/814-0776  
Mary Helen Thompson 202-331-8055  
(AFL-CIO HIT)

## **Gov. Blagojevich announces investment agreement with AFL-CIO HIT to invest \$250 million for affordable housing in Illinois**

*Investment partnership with Illinois Housing Development Authority  
will create or preserve 2,500 affordable units for Illinois residents*

CHICAGO – Governor Rod R. Blagojevich today announced a partnership with the AFL-CIO Housing Investment Trust (AFL-CIO HIT) to invest \$250 million of capital in the Illinois Housing Development Authority securities that will help finance the creation or the preservation of affordable rental housing in Illinois. The investment, from the labor sponsored investment company, was outlined in a Memorandum of Understanding that was signed last week. The investment provides the State of Illinois with additional capital to create affordable rental housing across Illinois and generate employment opportunities for union workers.

“This is a win-win partnership where state government and labor work hand-in-hand to provide safe and decent housing to those who need it most,” said Gov. Blagojevich. “This investment will help approximately 2,500 Illinois families get the affordable rental housing they need. Affordable housing is key for developing communities, increasing employment opportunities and giving hard-working folks the stability they need to get ahead in life. The AFL-CIO investment will help us achieve that, at no cost to the taxpayer.”

Leveraging additional private resources to address the housing concerns of Illinois is one of the primary goals of the Governor’s statewide housing plan, entitled “*Building for Success: Illinois’ Comprehensive Housing Plan*”. The Plan, released earlier this year, is part of Gov. Blagojevich’s reform and renewal initiative and lays out strategies to best coordinate the

affordable housing and related support services resources of more than a dozen state agencies to produce the maximum benefit for Illinois residents with the greatest housing needs.

AFL-CIO HIT's investment will help create affordable housing for each of the plan's six priority groups: very-low income households, low-income senior citizens, low-income people with disabilities, those who are homeless or at-risk of homelessness, low and moderate-income households who are unable to find affordable housing near work or transportation and low-income households who currently live in affordable housing that is in danger of becoming unaffordable. Designed to help families, communities, and the state reap the benefits of affordable housing, *Building for Success* is a working plan to best leverage resources for affordable housing throughout the state. In addition to increasing family and community stability and providing jobs and economic growth through the housing industry, affordable housing gives Illinois a competitive edge in attracting investment, which generates a larger local and state tax base and improves Illinois' overall fiscal health.

"Illinois has taken one more step toward the creation and preservation of affordable rental housing that will provide safe, secure places for thousands of Illinois residents to call home," said Kelly King Dibble, executive director of IHDA. "I am delighted we have expanded this supportive investment partnership. The AFL-CIO HIT is a valuable partner who has financed over 2,600 units of affordable housing in Illinois over the past nine years."

The mortgage loans originated pursuant to the IHDA/AFL-CIO-HIT agreement will create or preserve affordable rental housing through rehabilitation or adaptive use of existing buildings and through new construction of affordable rental units. A minimum of 20% of the units in each development must be affordable to residents earning 80% or less of the area median income. All rehabilitation and construction will use 100% union labor. The insured AAA-rated investments purchased by the AFL-CIO HIT are supported by IHDA's independent investment grade credit rating.

"The HIT looks forward to expanding on its history of success with IHDA construction," said Stephen Coyle, chief executive officer of the AFL-CIO HIT. "This partnership will not only provide a competitive return but will allow the HIT and IHDA to invest in housing, jobs and communities throughout Illinois. The program is expected to create more than 2,000 union jobs across the state."

### **The AFL-CIO Housing Investment Trust**

With \$3.6 billion in assets, the AFL-CIO HIT invests primarily in multifamily, mortgage-backed securities. Nationwide, it has financed more than 75,000 affordable and market-rate units. Over the past decade, the AFL-CIO HIT has collaborated with IHDA on 17 developments, including Northtown Village, Jackson Park Terrace, The Parkways, and Alexian Village, all in Chicago, as well as Victory Centre of Melrose Park, Victory Centre of Calumet City, the Riverdale Manor Senior Community and Bradford Court Apartments. Over the past two decades, the AFL-CIO HIT has invested \$594 million in the state of Illinois for a total of nearly 13,000 housing units, including the projects that are IHDA sponsored. Forty-six of the AFL-CIO HIT's current investors are located in the state of Illinois.

The AFL-CIO Housing Investment Trust is an investment company registered with the Securities and Exchange Commission. Today, the AFL-CIO HIT has over 400 investors and approximately

\$3.6 billion in assets. The AFL-CIO HIT invests primarily in fixed-income investments such as multifamily and single family mortgage-backed securities. While the investment objective of the AFL-CIO HIT is to provide competitive returns for its investors, it also seeks to promote collateral objectives such as the construction of housing and to facilitate employment for union members in the construction trades and related industries. The AFL-CIO HIT has invested over \$4.5 billion to finance more than 75,000 units of housing nationwide generating thousands of union jobs. For more information, visit AFL-CIO HIT's website at [www.aflcio-hit.com](http://www.aflcio-hit.com)

### **The Illinois Housing Development Authority**

The Illinois Housing Development Authority ([www.ihda.org](http://www.ihda.org)) is a self-supporting state agency that finances the creation and preservation of affordable housing across Illinois. Since its creation by an act of the Illinois legislature in 1967, IHDA has allocated more than \$6.4 billion and financed more than 160,000 units of affordable housing across the state. IHDA accomplishes its mission through a number of federal and state funding sources, including the Illinois Affordable Housing Trust Fund, the Illinois Affordable Housing Tax Credits Fund, the allocation of federal Low Income Housing Tax Credits, HOME Investment Partnership funds and others. IHDA is also a bonding authority, and independently sells bonds, based on its own good credit, to finance affordable housing across the state.

###