

AFL-CIO HOUSING INVESTMENT TRUST

COMPETITIVE RETURNS | UNION CONSTRUCTION JOBS | HOUSING FINANCE

Project 29
Cleveland, OH



SUMMARY OF THE HIT



Overview

- \$7 billion investment grade fixed income portfolio
- Labor-affiliated fund investing union pension dollars
- Socially responsible investment vehicle

Long History and Track Record

- Opened doors in 1984 (successor to the Mortgage Investment Trust, started in 1965)
- Diverse leadership team with average 29 years experience, 20 years at HIT
- Record of consistent and competitive returns

Investment Strategy

- Focus on high credit quality multifamily mortgage securities
- Higher income with superior credit quality and similar interest rate risk
- Provides liquidity and diversification versus other core strategies

Impact Strategy

- Affordable housing creation and preservation
- Union construction jobs creation
- Successful track record of generating economic impacts that benefit local communities

HIT Objectives and Strategy



The Freelon at Sugar Hill
Detroit, MI

Objectives

- Generate competitive risk-adjusted total returns versus its benchmark
- Create work for union members in the construction trades and related industries
- Support housing construction including affordable and workforce

Strategy

- Construct and manage a portfolio with:
 - superior credit quality
 - higher yield
 - similar interest rate risk relative to its benchmark

Core Competency

- Specialize in directly sourced multifamily mortgage-backed securities (MBS) that create jobs and housing (including affordable)
 - multifamily MBS tend to provide an income advantage compared to other securities with comparable credit and interest rate risk
- Offer diversification to investors and liquidity

HIT'S LONG HISTORY OF IMPACT INVESTING

617 Projects

211 Cities represented across
32 states

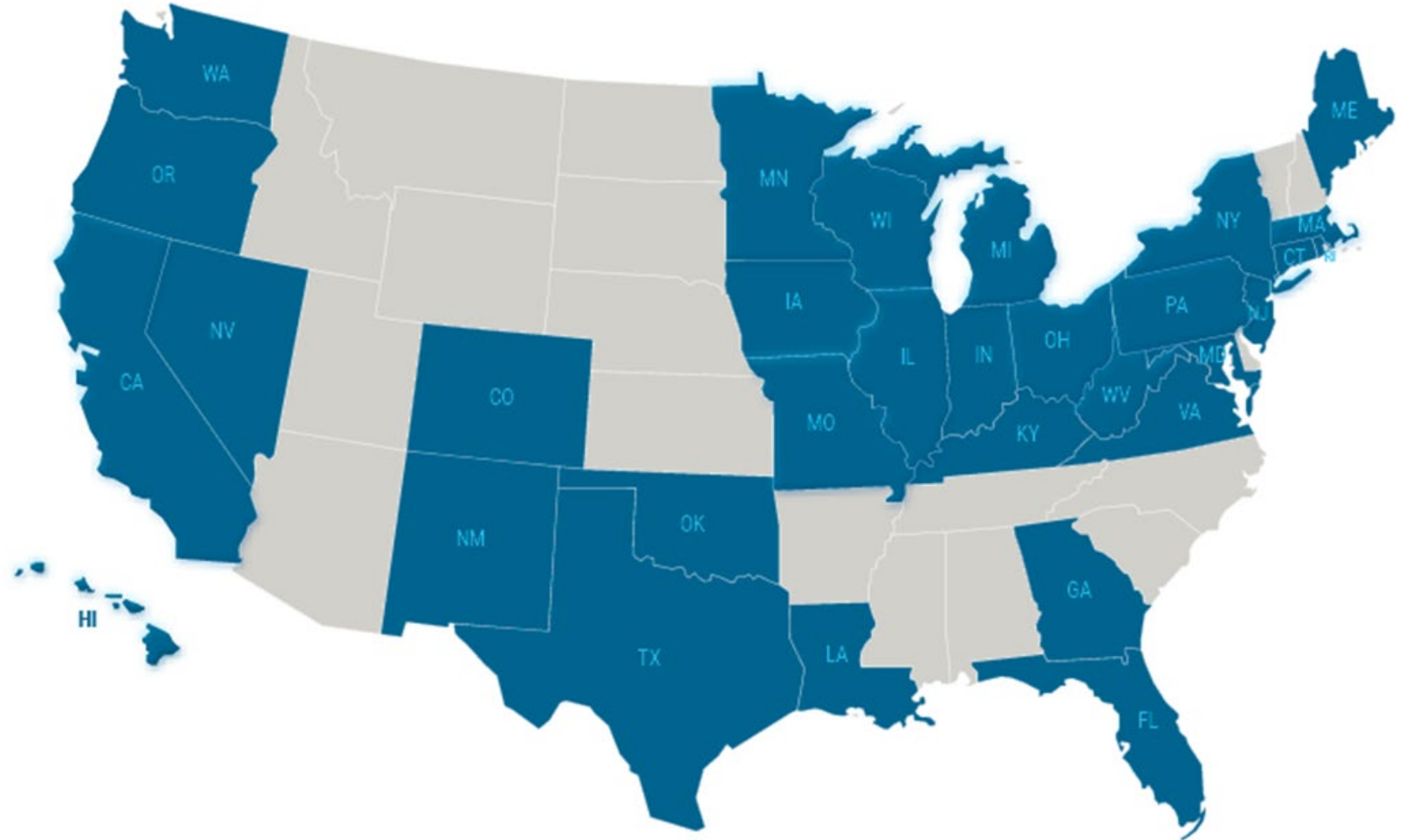
130,433 Housing units, with
67% affordable
housing

\$11.1B Invested or allocated

\$22.5B in total
development
cost

\$48.2B in total economic impacts

210.3M Hours of on-site union
construction work
created



Building America: A Community Development Entity

- ✓ Building America CDE, a subsidiary of the HIT established in 2010, expands **HIT's mission to reach broader communities.**
- ✓ Through a competitive application process with the U.S. Treasury Department's CDFI Fund, Building America secures **New Markets Tax Credits (NMTC) to invest in high-impact projects** through public-private partnerships.
- ✓ To date, Building America has allocated **\$270 million in NMTC to 32 projects**, supporting \$1.4 billion in development across 23 cities and 12 states.



INITIATIVES FOR JOBS AND HOUSING

Program Goals:

- Build affordable housing, expand opportunity through union jobs and apprenticeships, and catalyze equitable economic growth by leveraging public subsidy and responsible investment capital for housing development.

Key Elements:

1. Create new sources of public subsidy or a set-aside in existing programs for projects meeting criteria for affordability, union pension fund investment, and creation of opportunity through union jobs and apprenticeships (detailed criteria on next page).
2. Attract pension fund investment for the creation of affordable housing and careers in construction.
3. Allocate financing to projects meeting program criteria to build housing in the target market.

Impacts:

- Union job creation
- Affordable housing construction
- Increased tax revenues and economic growth

Las Vegas-owned golf course site to become affordable housing community



An artist's rendering of the redeveloped Desert Pines Golf Club site in Las Vegas. (City of Las Vegas)

Source:

<https://www.reviewjournal.com/business/housing/las-vegas-owned-golf-course-site-to-become-affordable-housing-community-3214989/amp/>

The largest affordable housing project in state history is coming to east Las Vegas.

The board of directors for the Nevada State Infrastructure Bank approved \$25 million to finance phase one of the Desert Pines Redevelopment Project in Las Vegas. Currently owned by the city of Las Vegas, the Desert Pines Golf Club will be transformed into an affordable master-planned community. The planned community, located off East Bonanza Road and North Pecos Road, will be designed primarily to benefit East Las Vegas residents.

In its entirety, the project will include 1,082 affordable multifamily housing units, 280 market-rate, single-family housing units, a 10,000-square-foot community center, a 10,000-square-foot early education center, a 30,000-square-foot job training center and 75,000 square feet of commercial space.

For the homes, developers are exploring a “rent to own” option so residents have the opportunity to become homeowners.

The bank will lend \$25 million to nonprofit Urban Strategies in partnership with developer McCormack Baron Salazar for initial infrastructure financing.

The project will be in partnership with the state of Nevada, the city of Las Vegas, Clark County, the AFL-CIO Housing Investment Trust and the Southern Nevada Building Trades Unions. Cost for phase one is estimated to be \$57.3 million, with total projected costs being \$450 million.

During the first phase of development, the project is expected to create 1,000 jobs; in its entirety 2,475 direct construction and 4,905 supplier and induced jobs are anticipated. Additionally, the project is required to utilize a project labor agreement and hire at least 50 percent of local Nevadans, pay state prevailing wages, ensure 15 percent of all workers are registered apprentices and prioritize the hiring of disadvantaged workers.

State Sponsored Housing & Jobs Programs



Carville Park Apartments - Reno, NV

- **Nevada:** \$20 million set-aside from \$75 million State Infrastructure Bank to finance construction of affordable housing; requires use of financing from institutions like the HIT and a Project Labor Agreement.
- **Connecticut:** \$100 million in public subsidy pending in Senate Omnibus housing bill to catalyze union pension fund investment in affordable housing built under Jobs and Housing program criteria.
- **New York:** Proposed \$1 billion of state appropriated funds, through the New York Jobs and Housing Act, to finance the construction of affordable rental and cooperative housing, which requires the use of financing from institutions like the HIT and a Project Labor Agreement.

Leadership



Chang Suh, CFA
Chief Executive Officer and Chief Investment Officer
 30+ years of experience in the financial services industry, specializing in the commercial mortgage industry and housing finance



Erica Khatchadourian
Chief Operating Officer
 35+ years of experience in operations, general and personnel management, policy development and accounting for financial transactions, with 31 years at the HIT



Ted Chandler
Senior Managing Director - Strategic Initiatives
 35+ years of experience in housing finance and community development, including 15 years at Fannie Mae and 15 years at the HIT



Lesyllee White
Chief Marketing Officer
 30 years of business development experience in the financial services industry, with 25 years at the HIT



Julissa Servello
Managing Director - Investor Relations
 25+ years of experience at the HIT engaging with investors, consultants and stake holders



William K. Pierce, CFA
Senior Portfolio Manager
 10 years of experience in financial markets, managing and trading investments, with 4 years at the HIT



Harpreet Peleg, CFA
Chief Financial Officer
 25+ years of experience in accounting, finance, operations, regulatory reporting, and compliance with 19 years at the HIT; Leads HIT's subsidiary, Building America CDE



John Hanley
Senior Managing Director – Multifamily Origination
 35+ years of experience investing union pension funds in commercial real estate developments, including 13 years at National Real Estate Advisors and 17 years at the HIT



Nick Milano
General Counsel
 25+ years of legal experience in the financial services sector including compliance with regulations under federal and state securities laws, with 15 years at the HIT

AFL-CIO Housing Investment Trust



1227 25th Street, NW, Suite 500
Washington, DC 20037
(202) 331-8055

www.aflcio-hit.com

Harpreet Peleg, Chief Financial Officer

hpeleg@aflcio-hit.com

Investors should consider the HIT's investment objectives, risks and expenses carefully before investing. Investors may view the HIT's current prospectus, which contains more complete information, on its website at www.aflcio-hit.com and may obtain a copy from the HIT by calling the Marketing and Investor Relations Department collect at 202-331-8055. Investors should read the current prospectus carefully before investing.

This document contains forecasts, estimates, opinions, and/or other information that is subjective. Statements concerning economic, financial, or market trends are based on current conditions, which will fluctuate. There is no guarantee that such statements will be applicable under all market conditions, especially during periods of downturn. It should not be considered as investment advice or as a recommendation of any kind.