



# The Penfield

*Saint Paul, MN*

## PROJECT DESCRIPTION

The Penfield is a newly constructed \$62.5 million mixed-use building in downtown Saint Paul in the Fitzgerald Park neighborhood. Spanning an entire city block, the LEED-certified six-story building has 254 market-rate rental units, a Lunds grocery store on the first floor, and three levels of parking.

## HIT ROLE

To structure the Penfield's financing, the HIT worked closely with the Saint Paul Housing and Redevelopment Authority, the developer of the project, and Dougherty Mortgage LLC. The HIT provided \$41 million through the purchase of taxable Ginnie Mae loan certificates and a permanent loan certificate backed by a FHA-insured Section 221(d)(4) loan from Dougherty Mortgage.

## SOCIAL IMPACT

The Penfield is considered a key part of Saint Paul's downtown redevelopment strategy, designed to bring quality housing and a full-service grocery store to the area while serving as a catalyst for future development. The Penfield is situated near the downtown employment core, state government offices, and the Lowertown District with its numerous arts and entertainment venues. It is also located within a block of a new Central Corridor light rail line and directly south of a planned central park area. The project was designed to meet LEED Silver certification requirements and features a design that incorporates such sustainable features as a 12,000-square-foot green roof.

The Penfield was built 100% union and was expected to create 320 jobs for members of the Saint Paul building and construction trades unions. Employees at the new Lunds grocery store are represented by the United Food and Commercial Workers, Local 1189.

*“We really appreciate the fact that the HIT is using union pension capital to create good union jobs that will put many of our members back to work while giving our community an economic boost.”*

—Harry Melander, then President, Saint Paul Building and Construction Trades Council

# Project Profile

## 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 \$5.8 billion in assets for approximately 390 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 over 30 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 \$10.4 billion (in current dollars) to finance more than 102,000 units of housing nationwide, generating more than 77,000 union construction jobs. More information is available on the HIT's website, [www.aflcio-hit.com](http://www.aflcio-hit.com).

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