

From: [Emari McClellan](#)
To: [NMFA OGC](#)
Subject: RE: AFL-CIO Housing Investment Trust_ Public Comment Letter_ New Mexico Opportunity Enterprise & Housing Development Fund Proposed Rule
Date: Friday, June 14, 2024 3:16:50 PM
Attachments: [HIT New Mexico Housing and Jobs Investment Fund Public Comment Letter \(6.14.2024\).pdf](#)
[Lifestyle Apartments at Renaissance Center.pdf](#)

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Good Afternoon Mr. Opperman,

My name is Emari McClellan and I work for the AFL-CIO Housing Investment Trust ("HIT"). I am pleased to submit the HIT's public comment letter for a proposed amendment to the proposed rule for the New Mexico Opportunity Enterprise and Housing Development Fund. We appreciate the initiative you have taken to address the housing crisis in New Mexico and we believe that our proposed amendment can aid in meeting the goals of the New Mexico Finance Authority's Housing Development Fund.

Thank you,

Emari McClellan

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June 21, 2024

Mr. Daniel C. Opperman, Chief Legal Officer
New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501

RE: New Mexico Housing Development Revolving Fund (the “New Mexico Revolving Fund”) Public Comment

Dear Mr. Opperman,

The American Federation of Labor and Congress of Industrial Organizations Housing Investment Trust (the “HIT”) appreciates the opportunity to present and provide public comment on the New Mexico Opportunity Enterprise Fund’s (“OEF”) Housing Development Revolving Fund. We applaud the initiative that you have taken to create a new vehicle to support the development of more affordable and workforce housing throughout the State.

We believe we can expand on this initiative in partnership with the HIT by also prioritizing the creation of good paying union jobs in the construction industry. We propose that a portion of the Housing Development Fund be set aside to create the Housing and Jobs Investment Fund (the “Fund” or “Program”). Through this separate program, the HIT would endeavor to support your housing efforts, while generating impactful collateral benefits, including workforce housing and economic development across New Mexico.

Since its inception in 1984, the HIT has grown into a \$6.5 billion mutual fund that invests union pension capital to earn a competitive risk adjusted returns, create union construction jobs, and finance the development of multifamily rental housing. The impact of the HIT’s mission-oriented focus of investing union pension funds to finance union-built housing is significant. Since its inception, the HIT has invested \$10.8 billion of union capital in projects with \$21 billion of total development costs. These developments have created 128,420 housing units, 67% of which are affordable, created more than 100,000 union construction jobs, and helped generate more than \$46.9 billion of total economic impact in the states and localities in which we have invested. * A set aside of OEF Housing Development Fund capital would help expand our impact investing footprint to New Mexico, similar to our efforts in Nevada.

By way of example, in 2022 the Nevada State Infrastructure Bank set aside \$20 million of its \$75 million General Obligation bond issuance to establish the state’s first Affordable Housing Revolving Account. The primary goal of the Affordable Housing Revolving Account is to leverage pension fund investment in affordable housing with public capital while also aiding in the creation of more sustainable and equitable jobs through career pathways in the building trades. Through this set aside, the HIT has been able to work with Nevada housing developers to develop a pipeline of nearly 2,000 units of housing, expected to be financed with union pension capital and built with 100% union labor. This pipeline development and path to creating more housing and union construction careers is what

we hope to accomplish in New Mexico through the Housing and Jobs Investment Fund.

The HIT has a proven track record of providing competitive and flexible construction and permanent debt financing, and the experience of working with many partners who recognize the benefits of working with the HIT and the importance of employing a unionized construction workforce for the building up of communities. With a dedicated source of debt capital, like the HIT, backing the Program, we are confident that a set aside of OEF Housing Development Fund capital would be a compelling reason for our industry partners, with whom we have worked with in the past, to venture to New Mexico for the opportunity to make an investment in its communities.

The goal of the HIT's proposed Housing and Jobs Investment Fund is to be a vehicle through which the HIT, can leverage public resources to spur greater and more widespread economic impact. The combination of the funds allocated to the Program and the HIT's capital, can make a lifelong difference to people who are in need of affordable housing, and to people who hope to obtain a career in construction, by building affordable housing.

The following language would accomplish the proposed set-aside:

In order to qualify for the funds under this amendment, the applicant shall (a) demonstrate a long term commitment to promoting workforce development through the use of contractors that participate in apprenticeship programs registered with the state or the federal department of labor and a commitment to meeting local hiring goals; (b) projects shall be financed by a labor organization's pension fund investor, or a commingled fund of pension fund investments, with a demonstrated track record of successful investment in both new construction and substantial rehabilitation of affordable housing and a responsible contractor policy; and (c) construction on a qualified project for which all or a part of the costs of the qualified project are paid for using a loan or other financial assistance provided hereunder, must be performed under a project labor agreement.

Throughout our 40-year history, we have developed strong partnerships between public agencies, private developers, pension fund investors and labor unions to create a united front to address housing crises at scale. We encourage you to set aside \$40 million of New Mexico's Housing Development Revolving Fund to establish the Housing and Jobs Investment Fund, dedicated to the development of affordable and workforce housing built with a union workforce and financed with union pension fund investments. Thank you for your consideration.

Sincerely,



Theodore S. Chandler
Senior Managing Director – Strategic Initiatives

*Jobs and economic impact figures are estimates calculated using IMPLAN, an input-output model, based on the HTI and HIT subsidiary Building America CDE, Inc. project data. Data is current as of March 31, 2024. Economic impact data is in 2023 dollars and all other figures are nominal.

PROJECT PROFILE

Lifestyle Apartments at Renaissance Center

Albuquerque, NM



PROJECT DESCRIPTION

In 1998, the AFL-CIO Housing Investment Trust helped finance the \$9.1 million new construction of the Lifestyle Apartments at Renaissance Center project in Albuquerque, NM. This project brought about 100 new units of affordable housing dispersed throughout 12 two-story residential buildings. The development also included a one-story community building. Community amenities include an outdoor swimming pool, multiple basketball courts, a volleyball court, playground equipment and outside picnic/cooking areas.

HIT ROLE

The HIT invested \$3.3 million of permanent financing through its purchase of a 100% participation interest in a permanent mortgage originated by the New Mexico Mortgage Finance Authority.







PARTNERS

New Mexico Mortgage Finance Authority

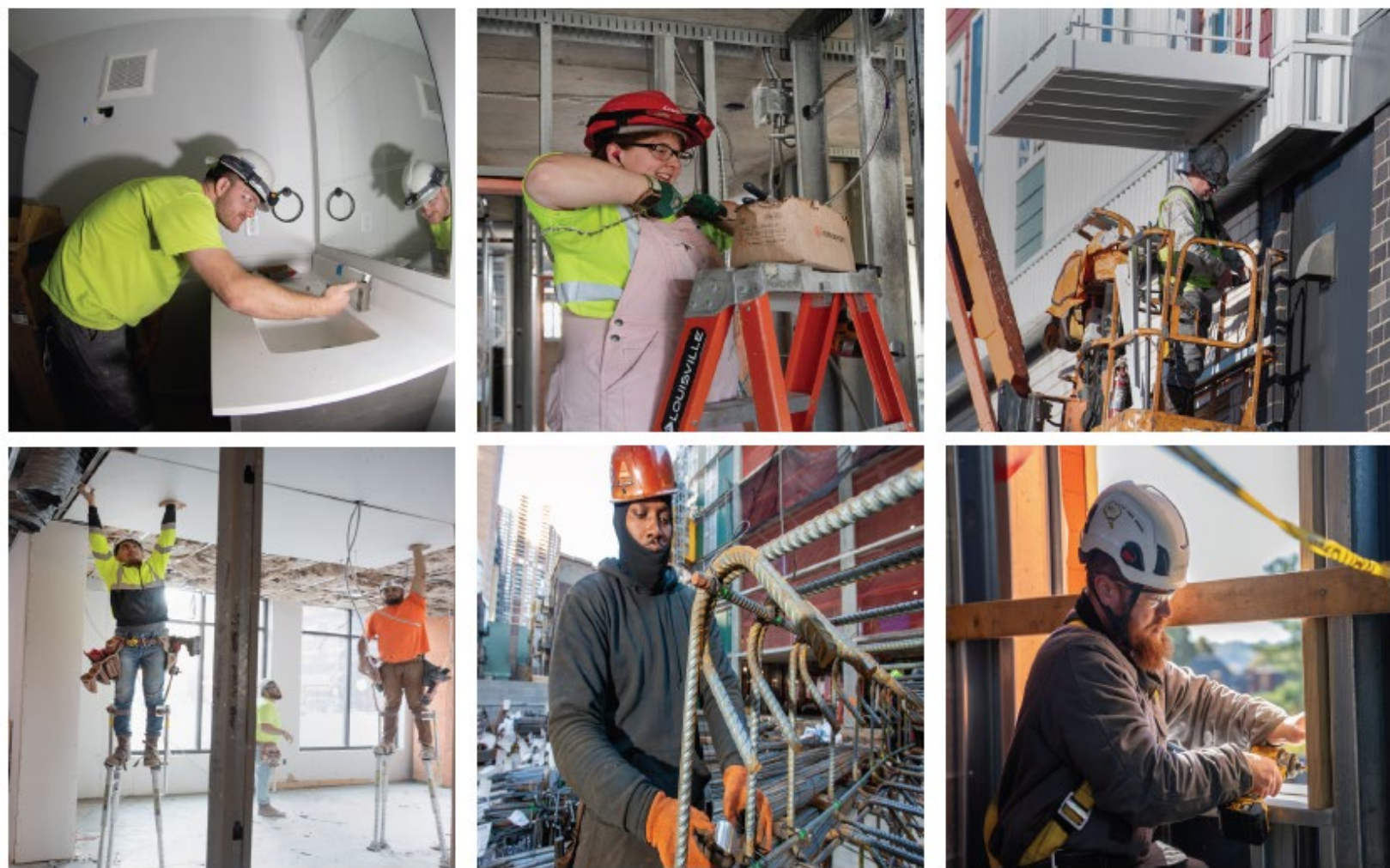
SOCIAL IMPACT

As a 100% affordable housing project, Lifestyle Apartments provided 50 1-bedroom and 50 2-bedroom apartment units to individuals and families earning up to 60% of the area median income.

ECONOMIC IMPACT OF INVESTMENT*

 HIT Investment \$3.3 Million	 Total Development Cost \$9.1 Million	 100 Units (100% affordable)	 108,600 Hours of Union Construction Work Generated	 \$3.0 Million Tax revenue generated	 \$26.7 Million Total economic benefit
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**Job and economic impact figures are estimates calculated using IMPLAN, an input-output model, based on HIT and HIT subsidiary Building America CDE, Inc. project data. The data is current as of March 31, 2024. Economic impact data is in 2023 dollars and all other figures are nominal.*



ABOUT THE HIT

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 practitioners of socially responsible impact investing, with a track record of nearly 40 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. More information is available on the HIT's website, www.aflcio-hit.com.

This document provides information about a project or projects financed by the HIT which may or may not be reflective of other financed projects or refer to an asset currently held in the HIT's portfolio. Investors should consider the HIT's investment objectives, risks, charges, and expenses carefully before investing. This and other information is contained in HIT's prospectus, available at aflcio-hit.com or by calling 202-331-8055. The prospectus should be read carefully before investing.

3/2024