



For Immediate Release

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Oak Grove Capital Originates \$59.5 Million Bond Credit Enhancement for Preservation of Affordable Housing in Chicago's Southside

ST. PAUL, Minn. – August 15, 2011 – [Oak Grove Capital](#), a leading national provider of affordable housing real estate financial services, announced today the origination of a \$59.5 million Immediate Funding Fannie Mae NIBP Bond Credit Enhancement loan for the acquisition and renovation of Parkway Gardens by the [Related Companies](#).

Parkway Gardens is an existing 694-unit affordable housing community on the Southside of Chicago that consists of 11 mid-rise buildings and 24 garden buildings.

“Since the property had a Section 8 Contract that was set to expire and required extensive rehabilitation, we needed to craft a creative financing structure to ensure that this asset would be preserved,” said Tim Leonhard, managing director of affordable housing, at Oak Grove Capital. “I am pleased we were able to find a solution that worked for all of the parties involved in this transaction.”

Utilizing a Fannie Mae NIBP Bond Credit Enhancement financing, Related Companies - which acquired the property through its Related Affordable division – plans to reinvest \$55,000 per unit in renovation cost.

“The preservation of existing affordable housing is extremely important to Fannie Mae’s mission and business,” said Bob Simpson, vice president of Fannie Mae’s affordable multifamily mortgage business. “This transaction is particularly meaningful because it preserves and renovates hundreds of affordable family units that were at risk of being lost due to an expiring Section 8 Use Agreement. By combining various public and private resources such as NIBP Bonds, low income housing tax credits, federal historic tax credits, real estate tax incentives, and a new 20-year Section 8 contract, we were able to assure the continued viability of this important affordable housing asset for the next 30 years.”

As a result of Oak Grove Capital’s expertise in the affordable housing financing industry, the company was able to secure an immediate funding execution versus a more commonly offered forward commitment, which saved Related Affordable the time, complication, and costs associated with the involvement of a construction lender.

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“Parkway Gardens is a very large undertaking and its financing success depended upon the involvement of nearly a dozen financing participants and regulatory agencies,” said Mark E. Carbone, president of Related Affordable. “Fannie Mae and Oak Grove Capital demonstrated tremendous creativity, responsiveness and flexibility in structuring an immediate funding credit enhancement that met our needs while mitigating the inherent risk in a transaction of this nature. We were very pleased with the outcome and look forward to our next opportunity to work with both Fannie Mae and Oak Grove Capital.”

About Oak Grove Capital

Oak Grove Capital is a nationwide mortgage lender specializing in affordable and market rate multifamily apartment complexes, seniors housing and healthcare facilities. Headquartered in St. Paul, Minn., Oak Grove Capital services a commercial loan portfolio in excess of \$7.5 billion and offers a product line consisting of Fannie Mae DUS[®], Freddie Mac, FHA MAP, GNMA and other commercial real estate funding options. Regional offices are located in Dallas, Tampa and Bethesda, Md. For more information visit www.oakgrovecap.com

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