

# Related's housing gumshoe out to crack the case of elusive affordable apartments

By [Sarah Trefethen](#)

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Parkway Gardens, a 1940s-era housing project on the South Side of Chicago, re-opened last fall after extensive renovation to the 35 buildings and 694 apartments.



MATTHEW FINKLE

Mayor Rahm Emanuel attended the ribbon cutting, as did other politicians, local housing activists, and representatives of Related Companies and Wells Fargo, which had purchased the site in a 2011 joint venture for \$40 million, along with a commitment to maintain the affordable housing status of the apartments for the next 30 years.

The renovation brought new kitchens and bathrooms, as well as modern elevators and heating systems and was considered a victory for Chicago and the project's 2,400 residents, as well as for Related Affordable, a division of Related Companies with a stated commitment to never turn a single unit of affordable housing to market rates.

“Related believes that everyone should have a nice place to call home, regardless of income,” said Matthew Finkle, who took over as president

of Related Affordable last year.

But navigating the complex world of affordable housing takes more than beliefs. Affordable housing developments come with not just regulations and tax credits, but also often legacy financing, complex local politics and often the cumulative effect of years of neglect.

In the case of Parkway Gardens, according to Finkle, the property needed so much work that it wasn't immediately clear how the deal could be done.

The final financing package involved not just bonds from Illinois' state housing development authority and affordable housing tax credits, but also federal historic preservation credits that the investors secured by arranging to have the property added to the National Register of Historic Places.

"Every affordable housing deal is sort of a case study," Finkle said. "Every one is different... What we try to do here is, we try to crack the case."

Finkle, a Columbia Business School graduate with a background in consumer finance and management consulting, started his real estate career with Related ten years ago, and has been with the affordable housing division ever since.

"The creativity that goes into putting these deals together is really what surprised me and enticed me and kept me interested over the years," he said. As of last week, Related had 27,000 units of affordable housing under management across the country, but that number may have already changed. They're actively seeking to acquire new sites, according to Finkle.

"It keeps going up," he said. "We very, very rarely sell properties." In addition to updating worn-out building systems and dated appliances, Related's renovations of affordable properties include updating or creating common areas for residents — a practice that is now taken for

granted in luxury developments but can be overlooked at lower price points.

“It’s important to have places in the building for residents to go and to socialize with one another and for us to bring in resources,” said Finkle of the situation that can be particularly pressing in buildings with a large population of senior citizens.

Finkle grew up in Worcester, Mass. and studied economics at Georgetown University. He went on to work for GE Capital — including a three-year stint in Japan — before attending Columbia for business school. “Columbia was the only school I applied to because I wanted to stay in the area,” said Finkle, who kept an apartment in Connecticut even while he was in Japan.

After business school, he joined Booz-Allen & Hamilton’s operations management practice, but the company wasn’t a perfect fit.

“I enjoyed the problem solving nature of the work, but I did not enjoy the sort of political aspects of a consulting firm,” Finkle said.

Meanwhile, he had started to dabble in real estate on his own, flipping houses in Connecticut, and he started getting excited about the industry. A b-school contact introduced him to Related.

“The affordable preservation group was sort of in its early stages,” Finkle said. “Even though I didn’t have a lot of real estate experience, they decided to hire me.”

Related Companies is well known as a developer of luxury rental apartments and the force behind the massive redevelopment of Hudson Yards, but when Stephen Ross got his start in the 1970s, it was as a developer building affordable housing. Ten years ago, the company created the affordable housing group to focus on that aspect of the company’s growing portfolio.

“A lot of affordable stock was being lost to market rate,” Finkle said.

“We wanted to play a part in preventing that from happening.”

The newly installed mayor of New York City, Bill de Blasio, made housing affordability a cornerstone of his campaign.

The mayor has expressed some great principles, Finkle said, but he stopped short of making any predictions for the future of affordable housing in New York.

“I think everyone in the development community is really waiting for the details,” he said.