



P R E S S R E L E A S E

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**Centerline Capital Group Provides \$105 Million in Financing for
Luxury Development in San Francisco's Mission Bay**

New York, NY – December 13, 2007 – Centerline Holding Company (NYSE: CHC), the parent company of Centerline Capital Group (“Centerline”), today announced it provided \$105 million in financing to MVP I, LLC, the managing member of which is AvalonBay Communities, Inc. (NYSE: AVB), for the second phase of a mixed-use development known as Avalon at Mission Bay.

Mission Bay, a 303-acre neighborhood between San Francisco Bay and Interstate 280, was long an abandoned rail yard until the city of San Francisco deemed the site a redevelopment project in 1998. Just 10 years later, the community is sought after for its luxury residences, high-end restaurants and retail centers. Avalon at Mission Bay contributes to the high-end quality of the community, providing residents with a classy and convenient place to call home with its upscale amenities and sophisticated designs.

Construction on Phase 2 of Avalon at Mission Bay was completed in 2006. The 2nd phase is made up of a 17-story high-rise tower and an eight-story mid-rise building that contain 313 apartment units, three retail/office spaces and a parking garage. Construction on Phase 1, comprising 250 apartment units and approximately 7,800 square feet of commercial retail space, was finished in 2002.

“We are very excited to have been part of such a grand-scale redevelopment project for the Bay Area. Avalon at Mission Bay adds another option for San Francisco residents searching for a desirable place to live with an easier commute,” said Rachel Diller, Director in Centerline’s Commercial Real Estate Group. “The combination of the transaction’s excellent sponsorship, premier location and strong initial lease-up phase was a perfect match for Freddie Mac’s Premier Lease-Up Program – a program specifically designed to take-out construction loans on properties currently in lease-up.”

“Freddie Mac was very pleased that it was able to work with Centerline and its customer to be a part of the rejuvenation of the Mission Bay area, which had been abandoned and underserved for so long,” said Mitchell Kiffe, Freddie Mac Multifamily vice president of Production and Sales. “The rebuilding of this area is long overdue.”

Centerline provided the \$105 million pre-stabilized first mortgage loan utilizing Freddie Mac’s Premier Lease-Up Program. Centerline Urban Capital (CUC), Centerline’s equity investment fund partnership

with the California Public Employees Retirement System ("CalPERS"), formed a joint venture with AvalonBay to contribute \$17.7 million in equity toward the construction of Phase 2.

The property is located 10 blocks south of Market Street in downtown San Francisco near the new Third Street Light Rail, the Muni extension and the Cal Train Station. According to the San Francisco Redevelopment Agency, the total development program for Mission Bay is expected to exceed \$4 billion.

The residential component of Avalon at Mission Bay Phase 2 consists of efficiency and one- to three-bedroom units. Units range in size from 432 to 1,778 square feet, with rents starting at \$1,986 per month. Common area amenities include a landscaped spa and deck area, sport court with a climbing wall facility and a state-of-the-art fitness center. In-unit amenities include walk-in closets, floor-to-ceiling glass windows, granite countertops and private balconies in select units.

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About Centerline Capital Group

Centerline Capital Group, a subsidiary of Centerline Holding Company (NYSE:CHC), is a diversified real estate fund manager with over \$18 billion of assets under management. Centerline lends, invests and manages capital for the commercial real estate and affordable housing industries. Centerline is headquartered in New York, New York and has over 500 employees in nine offices throughout the United States. For more information, please visit Centerline's website at <http://www.centerline.com> or contact the Corporate Communications Department directly at (800) 831-4826.

About Freddie Mac

Since the launching of Freddie Mac's current multifamily business in 1993, Freddie Mac has purchased more than \$165 billion in multifamily mortgages, financing rental housing for more than four million families.

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage-related securities and debt instruments in the capital markets. Over the years, Freddie Mac has made home possible more than 50 million times, ensuring financing for one in six homebuyers and more than four million renters. For additional information about Freddie Mac, see the company's web site: www.freddiemac.com.

Certain statements in this document may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties are detailed in Centerline Holding Company's most recent Annual Report on Form 10-K and in its other filings with the Securities and Exchange Commission, and include, among others, adverse changes in the real estate markets; interest rate fluctuations; general economic and business conditions; environment/safety requirements; changes in applicable laws and regulations; our tax treatment, the tax treatment of our subsidiaries and the tax treatment of our investments; risk of default associated with the mortgage revenue bonds and other securities held by us or

our subsidiaries; risks associated with providing credit intermediation; risk of loss under mortgage banking loss sharing agreements; risk of loss from direct and indirect investments in CMBS; risk that relationships with key investors and developers may not continue; our ability to generate fee income may not continue; and risks related to the form and structure of our financing arrangements. Such forward-looking statements speak only as of the date of this document. Centerline Holding Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Centerline Holding Company's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

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