



Life Style, Inc.
Property Management
www.lifestyleinc.net

311 North Cedar Avenue
Owatonna, MN 55060

August 28, 2002

Mayor Peter Connor
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

RE: Apache Apartments
216-236 12th Street NE
Owatonna, MN 55060

Dear Mayor Connor,

The owners of Apache Apartments, 216-236 12th Street NE, Owatonna, MN intend not to renew the Section 8 Housing Assistance Payment contract at this property effective August 31, 2003. Per Minnesota State Statute 471.9997, we are require to submit to your an impact statement regarding this prepayment.

Impact Statement

The above reference Statute requires responses to the following (3) questions:

1. What is the number of units that will no longer be subject to rent restrictions imposed by the federal program?

8 apartments – however, current only 4 apartments would be affected, as all available subsidies are not being utilized.
2. What are the estimated rents that will be charged as compared to rents charged under the federal program?

	<u>1 BR</u>	<u>2BR</u>	<u>3BR</u>
Current Rent for Section 8 Units	\$363	\$484	\$580
Current Rent for Non-Subsidized Units	\$425	\$525	\$625
Proposed Market Rents without Section 8	\$425	\$525	\$625

All rents shown above include heat, electricity, water, sewer, and garbage.

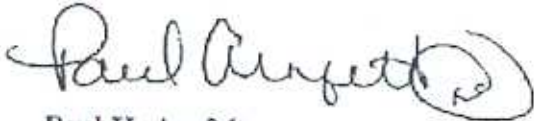
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3. What action will the owner take to assist displaced tenants in obtaining other housing?

The owner currently accepts HUD Section 8 vouchers, and will continue to do so in the future.

This impact statement was also provided to all affected residents at Apache Apartments (4), and the Minnesota Housing Finance Agency.

Thank you for your time.

Sincerely,



Paul H. Amfelt
General Partner
Apache Apartments Limited Partnership

CC: MHFA
HRA - Faribault



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311 North Cedar Avenue
Owatonna, MN 55060

August 28, 2002

Apache Apartments
216 12th Street N.E., #A204
Owatonna, MN 55060

Dear

The Department of Housing & Urban Development subsidizes the rent of your apartment through the project-based Section 8 program. Federal law requires that owners provide tenants with a one-year notification before the expiration of a Section 8 contract. The Section 8 contract that pays the government's share of your apartment rent at Apache Apartments expires on August 31, 2003.

Although there will be no immediate change in your rental assistance, we are required to inform you of our intended actions when the contract expires one year from now.

This letter is to notify you that we do not intend to renew the current Section 8 contract when it expires.

Since we do not intend to renew this project-based contract upon its expiration, it is our understanding that, if Congress makes funds available (which it has in the past and is expected to in the future), the Department of Housing and Urban Development will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance. Unlike the current project-based Section 8 contract, Section 8 vouchers are issued to the tenants and allows them to choose the place they wish to rent. The Section 8 voucher program is administered by local Public Housing Authorities. Federal law allows you to elect to continue living at this property provided that the unit, the rent, and we, the owners, meet the requirements of the Section 8 tenant-based assistance program. As an Owner, we will honor your right as a tenant to remain at the property on this basis as long as it continues to be offered as rental housing, provided that there is no cause for eviction under Federal, State or local law.

You will also have the opportunity to choose another development or single-family house in which to move provided that the new landlord will accept the voucher and the owner and the unit meet Section 8 tenant-based program requirements.

Please remember that project-based Section 8 rental assistance will continue to be provided on your behalf for one year. In addition, we may agree to a renewal of the project-based contract with HUD, thus avoiding contract termination altogether.

Approximately four months (120 days) before the expiration of the Section 8 contract, HUD requires that we confirm our final decision to not renew this contract. Following this confirmation, you will be contacted by the local Public Housing Authority (PHA) to determine your household's eligibility for tenant-based assistance. If you intend to apply for Section 8 tenant-based rental assistance you should not move from your current unit until you have consulted with the local PHA about your eligibility for tenant based assistance.

If you have any questions or would like information on the Section 8 Program, the following sources may be of assistance:

Contract Administrator
Shannon Neels
Minnesota Housing Finance Agency
400 Sibley St., Suite 300
St. Paul, MN 55101-1998
651-284-3180 or 1-800-657-3647

HUD
LaDonna Eggum
U.S. Department of Housing and Urban Development
Minnesota State Office
920 Second Ave South, Suite 1300
Minneapolis, MN 55402
612-370-3051 Ext. 2257
<http://hud.gov> - click on "rental help."

Sincerely,

Apache Apartments Partnership

CC: Shannon Neels, MHFA