

MAR 23 2002

## SOUTH PARK APARTMENTS IMPACT STATEMENT

This Impact Statement is given pursuant to M.S.A. § 471.9997. Please be advised that it is the intention of South Park Apartments, LLP, the owners of the South Park Apartments in Moorhead, Minnesota, to terminate their participation in the Section 8 Program with the US Department of Housing and Urban Development (HUD) effective April 1, 2003. It is a primary concern of the owners in terminating this participation that the residents of South Park not be adversely affected by this decision. The owners are aware that affordable housing has been a serious point of discussion in the City of Moorhead and have carefully reviewed their decision with that in mind.

South Park Apartments consist of 102 units located in two buildings at 1108 Belsly Boulevard and 1021 32<sup>nd</sup> Avenue South in Moorhead, Minnesota. Twenty-four of the 102 units are subsidized under HUD's Section 8 program. Upon termination of the Section 8 contract, these 24 units will no longer be subject to rent restrictions imposed by HUD. The current monthly rent for these 24 units is \$444 for a two bedroom unit and \$523 for a three bedroom unit. It is estimated that the monthly rent that will be charged for these 24 units after termination of the Section 8 contract with HUD will be \$444 for a two bedroom unit and \$523 for a three bedroom unit.

The owners wish to stress that they have taken action to replace the Section 8 program with a tenant-based voucher program so that none of the Section 8 tenants will be displaced. Before making the decision to terminate their participation in the Section 8 program, the owners discussed various options with the Moorhead Public Housing Authority. It was decided that South Park would terminate the Section 8 program contemporaneously with the issuance of 24 tenant-based vouchers issued by the Moorhead Public Housing Authority if funds are available. This decision was made so none of the Section 8 tenants of South Park would be asked to vacate, relocated, pay additional rent, or in any other way alter their lives or living situation as a result of the owner's decision to terminate the Section 8 contract. Current Section 8 tenants should not be alarmed as no one will be asked to leave and information and assistance will be provided to help those affected tenants in the transition to other housing assistance programs. Information on housing options and assistance will also be provided to those tenants who are not eligible for the tenant-based voucher program.

The owners of South Park view this situation as having a positive impact on the Section 8 residents, since the voucher program will allow them the flexibility to relocate with their voucher should job opportunities or other matters require them to do so without the fear of losing their housing assistance. Under the Section 8 program, should a resident desire to relocate to North Fargo, for example, for job purposes that would not be possible. The impact of South Park's decision on future tenants is unknown at this time. South Park would like to continue renting to all of its current Section 8 tenants after the switch to the voucher-based program in April of 2003 so that these tenants are not displaced. If, for some reason, one of these tenants elects to move to another location, however, their unit will be advertised for rent and available to future tenants.





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March 25, 2002

Minnesota Housing Finance Agency  
400 Sibley St., Ste. 300  
St. Paul, MN 55101-1998

Greetings:

The Department of Housing and 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 South Park Apartments expires on March 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 the 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 should contact 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 until you have consulted with the local PHA about your eligibility for tenant-based assistance.

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

**HUD**

US Department of Housing and Urban Development  
451 7<sup>th</sup> St. SW  
Washington, DC 20410  
(202) 708-1112  
TTY: (202) 708-1455

US Department of Housing and Urban Development  
Kinnard Financial Center  
920 2<sup>nd</sup> Ave. S.  
Minneapolis, MN 55402  
(612) 370-3000  
TDD: (612) 370-3186

**Contract Administrator**

Minnesota Housing Finance Agency  
400 Sibley St., Ste. 300  
St. Paul, MN 55101-1998  
(800) 657-3769  
(651) 296-7608  
TDD: (651) 297-2361

**HUD Web**

<http://hud.gov>

Sincerely,



Fred Skoda  
Property Manager for South Park Apartments

FS/mal

CC: MHFA  
HUD (Washington, DC)  
HUD (Minneapolis, MN)  
Moorhead City Council  
Moorhead (Mayor)  
Moorhead Public Housing Authority