

Opt Out Log Template

County:	Lincoln		
City:	Hendricks		
Development Name:	Olsen Apartments		
Address	201 South Brook Street		
	Hendricks, MN 56136		
Owner:	Alden and Janet Olsen		
	3079 County Road 102 *		
	Hendricks, MN 56136		
Remarks:			
Number of Federally Assisted Units:	8		
Number of Section 8 Units:	6 (Rural Development assistance)		
Proposed Opt Out/Prepayment Date:	3/1/2021		
Type of Notice:	<input type="checkbox"/> Opt Out Only <input type="checkbox"/> Prepayment Only	<input checked="" type="checkbox"/> Both Opt Out and Prepayment <input type="checkbox"/> Manufactured Home Park Conversion	
MHFA First Mortgage:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Client Group:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Chronically Mentally Ill <input type="checkbox"/> Human Acq. Immunodef <input type="checkbox"/> Individual Families – not eld/handicapped <input type="checkbox"/> Partially Elderly Handicapped <input type="checkbox"/> Partially Physically Handicapped	<input type="checkbox"/> Wholly Developmentally Disabled <input type="checkbox"/> Wholly Elderly Congregate <input type="checkbox"/> Wholly Elderly Housekeeping <input type="checkbox"/> Wholly Physically Disabled <input type="checkbox"/> Wholly Physically Handicapped <input type="checkbox"/> Other	
Programs:	<input type="checkbox"/> Project Based Section 8 <input type="checkbox"/> Section 202 <input type="checkbox"/> Section 207 <input type="checkbox"/> Section 207/223(f) <input type="checkbox"/> Section 207/223(f)/244 <input type="checkbox"/> Section 221 (d)(3) BMIR <input type="checkbox"/> Section 221 (d)(3)MKT <input type="checkbox"/> Section 221(d)(4)/244 <input type="checkbox"/> Section 221(d)(4)MKT <input type="checkbox"/> Section 811	<input type="checkbox"/> Section 223 (a)(7)/236(j)(1) <input type="checkbox"/> Section 223(a)(7)/221(d)(3)MKT <input type="checkbox"/> Section 223(a)(7)/241(f)/236 <input type="checkbox"/> Section 223(a)(7)/241(f)/236 <input type="checkbox"/> Section 231 <input type="checkbox"/> Section 236(j)(1) <input type="checkbox"/> Section 236(j)(1)/202 <input checked="" type="checkbox"/> Section 515 Rural Rental Housing <input type="checkbox"/> Section 542 (c)	



United States Department of Agriculture

Rural Development Multi-Family Housing Rentals

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Multi-Family Housing Rentals

Rental Property Information



Total Units:	8
Units with Subsidy:	6
Complex Type:	Elderly
Bedrooms:	Studio: 0
	1 Bdr. 8

Contact Information

olsen, alden r.
Phone: (507) 275-3359
Email: Unavailable
Website: Unavailable

[View Map](#)[Contact Servicing Office](#)[View Income Limits](#)

Apartment Information

Olsen Apt
201 South Brook Street
Hendricks, MN 56136

Last Modified: 7/11/2015

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United States Department of Agriculture

Willmar Area Office
1005 Ne High Avenue
Willmar, MN 56201

March 17, 2020

~~XXXXXX Building~~
201 South Brook Street
~~XXXXXX~~
Hendricks, MN 56136

SUBJECT: Notice of Prepayment Request
Olsen Apt, Hendricks MN

3-1-21

Dear Tenant:

The apartment complex in which you reside was developed with a loan from USDA Rural Development, an Agency of the U.S. Government in 1986. The owners of the property recently submitted a request to USDA for permission to pay off their loan ahead of schedule. Based on communication with the owner so far, it is not clear whether:

- The owner wants to prepay their USDA loan, and then either sell or operate the apartment as conventional, market rate apartments.
- The owner wants to sell the property to a new owner who is willing to continue to operate the apartments as affordable rental housing.
- The owner does not really plan to prepay their USDA loan. The owner has applied in order to qualify for financial incentives from USDA. In return for the incentives, the owner must continue to operate the apartments as affordable rental housing.

In any case, if USDA agrees to the owner's request and if the owner actually does pay off the loan, rents at the apartments may increase and USDA would not be able to provide rent subsidy to tenants. Also, USDA would no longer be involved in supervising the apartment's management, leases and/or rents. USDA would like to know your opinion about this payoff request. We would like to know what you think the effect of paying off the loan would be on you, other tenants in the apartments, other people in the community, and any minorities living in the apartments and in the community. You have 30 days from the date of this letter to give us your opinion in writing. If you wish to write us, please send your comments to the following address:

USDA Rural Development
Attn: Alicia Jones
1005 Ne High Avenue
Willmar, MN 56201

It may be helpful to know that USDA follows a very careful process before deciding whether or not to allow apartment owners to pay off their USDA loan(s). Typically, USDA may offer various financial incentives to the owners to encourage them not to prepay their loan and to continue to operate the apartments for affordable rental housing under USDA. Often such incentives are sufficient to prevent prepayment, and the apartment will continue to be operated without change for the tenants.

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



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However, if the owner is not interested in the financial incentive that USDA can offer, USDA will evaluate how prepayment would affect the tenants of the apartments.

- If USDA decides that housing opportunities for minorities would be materially affected by a prepayment, USDA will require that the owner try to sell the apartments to a nonprofit organization or public agency which would continue to operate the apartments for affordable rental housing.
- If USDA decides that there is an adequate supply of affordable rental housing nearby, USDA may require that owner continues to provide low rents to you and the other current renters, even if rents increase for future tenants.
- If USDA decides to allow the owner to prepay, you and the other tenants may be given immediate priority for other USDA financed apartments. Even if USDA's loan is paid off, the owner will not be able to evict any tenant without cause.

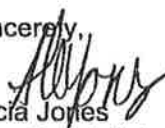
USDA has developed a Voucher Program that may be available to low-income tenant(s) who are a citizen, United States non-citizen National, or qualified alien and is residing at the property at the time of the prepayment/payoff. The intent of this program is to help protect the tenant from the impact of a owner's mortgage prepayment or payoff. This voucher, which will be administered by USDA, will pay the difference between the comparable market rent for your unit and the amount of your rent payment for that unit at the time of prepayment/payoff. Additional information on the voucher program and your eligibility will be sent to you if/when we receive the final loan payment from the owner.

We will keep you notified of the status of this request until a final resolution is reached. You will be allowed to review the information used by USDA to make its decisions regarding the prepayment.

If the owner disagrees with the decision that USDA makes on the prepayment request, the owner may be given an opportunity to appeal USDA's decision. If the owner appeals, tenants will be given the opportunity to submit evidence at the appeal hearing.

If you should have questions regarding this notification or the process please contact Alicia Jones at (320) 235-3540 or alicia.jones@usda.gov.

Sincerely,


Alicia Jones
Area Specialist

Cc: Borrower

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LEASE ADDENDUM

"Although prepayment of the loan to the U.S. Department of Agriculture, Rural Development, occurred on March 1, 2021, you are protected under 42 U.S.C. 1485. Rents, other charges and conditions of occupancy will not differ from what would have been had the project remained in the Rural Development program. This protection continues until you voluntarily vacate your apartment."

RESIDENT IMPACT STATEMENT

Alden and Janet Olsen (Owner name), the owner of
Olsen Apartments II (property), anticipates that on or after
March 1, 2021 (date), it will terminate participation in the following federally
assisted housing programs for the following number of units, which apply to the project:

Section 515 Rural Rental (Program) 8 number of units
Housing (Program) _____ number of units

Minnesota law requires owner to submit to the residents of the project, the City of
Hendricks and the Minnesota Housing Finance Agency,
and (if the property is located in the metropolitan area as defined in section 473.121, subdivision 2), the
Metropolitan Council) a statement of the impact of such termination on the residents of the project. (At
least 12 months before termination of participation-MN Statutes 471.9997.) This document performs that
purpose.

- 1) (#) 8 units within the project will no longer be subject to rent restriction imposed by the
federal program(s) which applies (apply) to the project effective as the date of termination of the
program which will be no earlier than twelve months after the date of this Impact Statement.
- 2) Owner estimates that the rents to be charged after termination will be:
(1) bedroom: \$ 400 as compared to current rents charged under the federal program of
\$ 300 and (2) bedroom: \$ _____ as compared to current rents charged under the
federal program of \$ _____ and (3) bedroom: \$ _____ as compared to current rents
charged under the federal program of \$ _____
- 3) Actions Owner will take to assist displaced tenants:
Tenants will receive housing vouchers

Dated: 2-25-2020
(Owner) Alden and Janet Olsen
By Janet Olsen
Its co-owner

Olsen Apartments II

Property Name

17-0061-000 (Tax Number)

27-41-470526913 02-9 (Loan Number)

MN Number

Opt Out Certifications

- ☒ 1. I certify that the subject property has no use restriction(s).
- ☐ 2. I certify that the subject property has the following use restriction(s). I have listed them, below.

Limited English Proficiency Assistance - Owners must make reasonable efforts to provide language assistance to ensure meaningful access for Limited English Proficiency (LEP) individuals. The housing provider is expected to comply with Executive Order 13166, *Improving Access to Services for Persons with Limited English Proficiency*. In providing owners with guidance on reasonable steps for providing language assistance to tenants, HUD issued on January 22, 2007, *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (See 72 CFR Part 2732) <http://www.hud.gov/offices/fheo/promotingfh/FederalRegistepublishedguidance.pdf>

If the population of the project speaks a language other than English, owners must provide the notification letters in the appropriate language(s). The cost of the translation of the letter is an eligible project expense.

Effective Communications – When owners provide written or verbal information to applicants or tenants, they must take steps to ensure effective communication with applicants, residents, and members of the public. HUD's regulation on effective communication with persons with disabilities is found at 24CFR Part 8.6. Effective communications may include, but are not limited to, conducting outreach in a manner that will reach persons with disabilities, such as by working with State and local organizations that serve or represent persons with disabilities, and ensuring that information about their programs is disseminated in a manner that is accessible to persons with disabilities. For example, special communication systems (e.g. TTY for persons who are hearing or speech impaired, materials on tape or in Braille) can greatly increase the effectiveness of outreach and ongoing communication.

- ☐ 3. I certify that I have complied with Limited English Proficiency Assistance and Effective Communications as described above, if applicable.

By (Print Name)

Janet Olsen

By (Signature)

Janet Olsen

Title

Co-owner

Date

2-25-2020