

NOTICE TO RESIDENTIAL TENANTS OF FEDERALLY SUBSIDIZED HOUSING

ForClover Patch Apartments, St. Charles, MN. (project)

Program.....U.S.D.A. Rural Development (RD)(formerly FmHA) Section 515 Rural Rental
Housing with Rental Assistance (Subsidy) if so noted as follows;
Clover Patch Apartments ...yes

Date..... October 31, 2001

1. The owners of the Clover Patch Apartments project have applied to RD to prepay the mortgage loan on the above referenced project.
2. Please be informed that prepayment will result in the termination of any federal use restrictions that apply to the housing, and that prepayment will terminate the Rental Assistance Program, unless RD, as to these two (2) points, conditions the prepayment otherwise.
3. Note that prepayment will not end the use of HUD Section 8 vouchers in the project.
4. RD will keep all tenants informed about the status of the owner's prepayment applications.
5. This notice is being provided pursuant to Chapter 504B.255 of the Minnesota State Statutes which requires a one (1) year written notice to tenants regarding Items 1. and 2. above.
6. Attached to this Notice is a copy of an impact statement regarding the impact of prepayment and the termination of rent and use restrictions on the project residents pursuant to Chapter 471.9777 of the Minnesota State Statutes.

RECEIPT OF NOTICE

To..... Benjamin Ellsworth, (owner / borrower), 2515 NW 26 St, Rochester, Mn 55901
(507 - 288 - 4061). Clover Patch Apartments, (project) St. Charles, Mn.

By..... Tenant _____ Date _____
Tenant _____ Date _____
Co - Tenant _____ Date _____

(Print name below signature lines)

For..... Apartment No. _____ (Occupied _____; Vacant _____)

Note - Two (2) original signature forms of this Notice / Receipt of Notice have been completed, and the tenants / co-tenants jointly acknowledge receipt of one (1) of them for their records.

Attachment to Notice: Impact Statement

IMPACT STATEMENT

Regarding.....: Project owner's application to terminate in a federally subsidized housing program.

For.....: *Clover Patch Apartments, St. Charles, Mn 55972*

Program.....: U.S.D.A. Rural Development (RD)(formerly FmHA) Section 515 Rural Rental Housing with Rental Assistance (subsidy) if so noted as follows; *Clover Patch Apartments. Yes.*

Pursuant to.....: Chapter 471.9997 of the Minnesota State Statutes.

Date.....: October 31, 2001

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The owner of the Clover Patch Apartments project has applied to RD to prepay the mortgage loan on the above referenced project; such prepayment will terminate any federal restrictions that apply to the housing, and will terminate the Rental Assistance subsidy program, unless RD conditions the prepayment otherwise.

The above referenced Statute Chapter requires responses to the following three (3) questions.

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

For the Clover Patch Apartments - 32 units

2. What are the estimated rents that will be charged as compared to rents charged under the federal program?

Project Name	Unit Size	RD Basic Rent *	RD Note Rate (Market) Rent *	Estimated Post Prepayment Rent *
Clover Patch Apartments	1 -BR	\$275	\$410	\$404
	2 -BR	\$305	\$440	\$512

* = Rent per month plus utilities of electricity for space heating and general use electricity, unless the tenant household receives RD Rental Assistance (RA) or a HUD Section 8 voucher, in which case * = rent per month including a utility allowance. (Note tenant households that receive RA or Section 8 vouchers pay actual rent in an amount of 30% (including the utility allowance) of their adjusted monthly income which will be equal to or less than Basic Rent) Note that for tenant households that do not receive RA or Section 8 vouchers, actual rent will range from RD Basic Rent plus utilities to 30% (including the utility allowance) of their adjusted monthly income up to a maximum of the RD Note Rate (Market) Rent plus utilities

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

If RD's final decision on the owner's application for prepayment without restriction results in the loan being approved for repayment without restriction, the owner will prepare and distribute to all tenants a letter containing information on other subsidized housing options available in the City of St. Charles and elsewhere in Winona County, including cities of Dover, Plainview, and Lewiston.

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The letter will contain information including, but not limited to the following:

- a) A listing of public agencies that operate subsidized housing programs, and a description of those programs, and a list of the housing projects they operate.
- b) A listing of private owner subsidized housing projects, including a description of the programs utilized for each project.
- c) A listing of nonprofit organizations that participate in subsidized housing programs, and a description of those programs, and a list of the housing projects they operate.
- d) A listing of housing counseling agencies and organizations in Winona County.

The owner will also assist RD, as may be appropriate, in disseminating information regarding housing opportunities in RD Section 515 Rural Rental housing projects elsewhere outside of Winona County.

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

Project tenants should not consider the possibility of payoff of the loan over until RD makes its final decision which will be in a written Final Notification that RD will send to all Tenants

This Impact Statement is being provided to:

- All Clover Patch Apartment tenants - The U.S. Dept. of Housing and Urban Development (HUD)
- The City of St. Charles - The Minnesota Housing Finance Agency - U.S.D.A. Rural Development