

SJMM & Associates  
1000 West Franklin Avenue  
Minneapolis, MN 55405

April 24, 2002

City of Saint Paul City Council  
310 City Hall  
15 West Kellogg Boulevard  
St. Paul, MN 55102

**RE: TERMINATION OF SECTION 8 CONTRACT FOR LARI APARTMENTS**


Dear Members of the St. Paul City Council:

This letter is sent to you, as the local government unit and pursuant to Minnesota Statutes § 471.9997, to notify you that the owner does not intend to renew the existing project-based Section 8 contract for Lari Apartments beyond April 30, 2003. Under the above-referenced statute, the owner is required to submit to you a statement regarding the impact of the expiration and non-renewal of the Section 8 contract on residents of Lari Apartments. There are 17 units in the Lari Apartments development that are covered by the current project-based Section 8 contract and that will no longer be subject to rent restrictions after the project-based Section 8 contract expires. Of those 17 units, 14 are one-bedroom units and 3 are two-bedroom units. The current Section 8 rents for the one-bedroom units are \$492 per month, while the current Section 8 rents are \$581 per month for the two-bedroom units. Once the Section 8 contract expires, the owner plans to increase rents for the one-bedroom units to \$700 per month and to increase rents for the two-bedroom units to \$900 per month.

As indicated in the attached letter which has been sent to tenants, in order to mitigate the impact of the expiration of the Section 8 contract on tenants, the owner plans to cooperate with the U.S. Department of Housing and Urban Development ("HUD") to provide vouchers, at HUD expense, to qualified tenants to allow them to remain in the Lari Apartments development or to move elsewhere. If federal funding is not available for such vouchers, if tenants are not eligible for vouchers or if tenants choose not to participate in the Section 8 program, the owner would assist tenants in moving to other project-based Section 8 properties owned by entities affiliated with the owner if vacancies are available. If no vacancies are available, the owner would provide tenants with a list of other project-based Section 8 properties, where tenants could seek housing.

If you have any questions regarding non-renewal of the Housing Assistance Payments contract or wish to discuss these tenant mitigation efforts, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Rutzick", written over a horizontal line.

Sherman R. Rutzick

cc: Minnesota Housing Finance Agency  
Individual Tenants  
Met Council



SJMM & Associates  
1000 West Franklin Avenue  
Minneapolis, MN 55405

Date: April 24, 2002

Dear Resident:

As a participant in the Department of Housing and Urban Development's Section 8 program, we are required to provide you with a one-year written notice if we do not intend to renew the Lari Apartments Section 8 HAP contract. The Section 8 contract that pays the government's share of your apartment rent for the Lari Apartments currently expires on August 19, 2002. Under state and federal law, we must notify you at least one year in advance of termination of the Section 8 contract. Therefore, we are willing to accept a short-term renewal of the Section 8 contract through April 30, 2003 to fulfill the one-year notice requirement.

This letter is to notify you that we do not intend to renew the current Section 8 contract when it expires, although we would accept a short-term renewal in order to satisfy the one-year notice requirement, as described above.

Since we do not intend to renew this project-based contract beyond April 30, 2003, it is our understanding that, subject to the availability of appropriations, the Department of Housing and Urban Development will provide tenant-based rental assistance to all eligible residents currently residing in a Section 8 project-based assisted unit. This tenant-based assistance will enable eligible residents to choose the place they wish to rent, which is likely to include the dwelling unit in which they currently reside. 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. Residents may also choose another development or a single family house in which to move provided that the new landlord is willing to accept the tenant-based assistance and basic program requirements are met. Please remember that project-based rental assistance will continue to be provided on your behalf through the end of the term of the current Section 8 contract and through the end of any short-term renewal contract provided by HUD. In addition, we may agree to a renewal of the project-based contract with HUD, thus avoiding contract termination all together.

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 after the current contract comes to an end, you should not move from your current apartment until you have consulted with the local Public Housing Authority 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 (if applicable)

Name: Minnesota Housing Finance Agency  
Telephone Number: 651-296-7608

HUD Field Office

Name: Mark Campbell or Karin Anderson  
Telephone Number: 612-370-3051

HUD Web

<http://hud.gov> -- click on "rental help."

Sincerely,

A handwritten signature in black ink, appearing to read 'Sherman R. Rutzick', written over a horizontal line.

Sherman R. Rutzick

cc: Local HUD Office  
Minnesota Housing Finance Agency  
Metropolitan Council  
St. Paul City Council