

**Franconia Developers**

Box 292
412 Bench Street
Taylors Falls, MN 55084

Sunrise River Apartments

Date: December 20, 2001

Dear Resident:

This letter is to inform you that the loan status of the Sunrise River Apartments will be changing as we had initially advised you in our notice of August 12, 1994. The owners will be prepaying the loan to the USDA and providing other financing. The rent support from the USDA will therefore stop as of the prepayment date. The owners will continue the individual rents as before at 30% of income until October of 2004 at which time the rents will be set at whatever is the market rate for rents in Wyoming.

It is our understanding, 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 the building. Residents may also choose another development and be eligible for this HUD assistance. Please remember the change in the current rents will not be made until October 2004.

Sincerely,

George E. Vitalis

CC: Minnesota Housing Finance Agency
City of Wyoming City Council
USDA Rural Development

**Franconia Developers**

Box 292
412 Bench Street
Taylors Falls, MN 55084

December 20, 2001

City of Wyoming City Council
Wyoming Minnesota

RE: Termination of USDA Loan and subsidy of Sunrise River Apartments

Dear Members of the Wyoming 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 loan and government subsidy on the rents will be terminating on the Sunrise River apartments. Under the above-referenced statute, the owner is required to submit to you a statement regarding the impact of the termination of the USDA support on the residents of the Sunrise River Apartments. There are 16 units in the Sunrise River Apartments some of which are rent subsidized under the current program. Of these 8 are one bedroom and 8 are two bedroom units. The current rents are approximately 30% of the income of each tenant. The owners of the apartments will continue to rent the units on the same formula of approximately 30% of tenant income until October 1, 2004 at which time the rents will increase to the then market rate rents for such apartments as will be in effect in the City of Wyoming.

As indicated in the attached letter which has been sent to tenants, in order to mitigate the impact of the rental change on the 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 Sunrise River Apartments. 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 subsidized rent program, the owner would assist tenants in moving to other qualified projects if vacancies are available.

If you have any questions regarding the change from the USDA involvement or wish to discuss these tenant mitigation efforts, please contact the undersigned.

Sincerely,

George E. Vitalis

CC: Minnesota Housing Finance Agency
Individual Tenants
USDA Rural Development