

# Opt Out Log Template

|  |  |   |  |
|--|--|---|--|
| <b>County:</b>                             | Anoka  |   |  |
| <b>City:</b>                               | Coon Rapids  |   |  |
| <b>Development Name:</b>                   | Galway Place   |   |  |
| <b>Address</b>                             | 113 <sup>th</sup> and Hanson Boulevard   |   |  |
|  | Coon Rapids, MN 55433  |   |  |
| <b>Owner:</b>                              | Galway Place, Limited  |   |  |
|  | c/o Cedar Management Real Estate Services, Inc.  |   |  |
|  | 7260 University Ave. N.E., Suite #200, Fridley, MN 55432   |   |  |
| <b>Remarks:</b>                            |  |   |  |
| <b>Number of Federally Assisted Units:</b> | 36   |   |  |
| <b>Number of Section 8 Units:</b>          | 36   |   |  |
| <b>Proposed Opt Out/Prepayment Date:</b>   | July 27, 2017  |   |  |
| <b>Type of Notice:</b>                     | <input checked="" type="checkbox"/> Opt Out Only<br><input type="checkbox"/> Prepayment Only   | <input type="checkbox"/> Both Opt Out and Prepayment<br><input type="checkbox"/> Manufactured Home Park Conversion  |  |
| <b>MHFA First Mortgage:</b>                | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  |   |  |
| <b>Client Group:</b>                       | <input checked="" type="checkbox"/> Family<br><input type="checkbox"/> Elderly<br><input type="checkbox"/> Chronically Mentally Ill<br><input type="checkbox"/> Human Acq. Immunodef<br><input type="checkbox"/> Individual Families – not eld/handicapped<br><input type="checkbox"/> Partially Elderly Handicapped<br><input type="checkbox"/> Partially Physically Handicapped  | <input type="checkbox"/> Wholly Developmentally Disabled<br><input type="checkbox"/> Wholly Elderly Congregate<br><input type="checkbox"/> Wholly Elderly Housekeeping<br><input type="checkbox"/> Wholly Physically Disabled<br><input type="checkbox"/> Wholly Physically Handicapped<br><input type="checkbox"/> Other   |  |
| <b>Programs:</b>                           | <input checked="" type="checkbox"/> Project Based Section 8<br><input type="checkbox"/> Section 202<br><input type="checkbox"/> Section 207<br><input type="checkbox"/> Section 207/223(f)<br><input type="checkbox"/> Section 207/223(f)/244<br><input type="checkbox"/> Section 221 (d)(3) BMIR<br><input type="checkbox"/> Section 221 (d)(3)MKT<br><input type="checkbox"/> Section 221(d)(4)/244<br><input type="checkbox"/> Section 221(d)(4)MKT<br><input type="checkbox"/> Section 811 | <input type="checkbox"/> Section 223 (a)(7)/236(j)(1)<br><input type="checkbox"/> Section 223(a)(7)/221(d)(3)MKT<br><input type="checkbox"/> Section 223(a)(7)/241(f)/236<br><input type="checkbox"/> Section 223(a)(7)/241(f)/236<br><input type="checkbox"/> Section 231<br><input type="checkbox"/> Section 236(j)(1)<br><input type="checkbox"/> Section 236(j)(1)/202<br><input type="checkbox"/> Section 515 Rural Rental Housing<br><input type="checkbox"/> Section 542 (c) |  |



GALWAY PLACE, LIMITED  
c/o Cedar Management Real Estate Services, Inc.  
7260 University Ave. N.E., Suite #200  
Fridley, MN 55432  
Telephone number: 763-574-1500  
Fax number: 763-571-2050  
www.cedarmanagment.com

June 29, 2016

Ms. Crystal Shields  
Minnesota Housing Finance Agency  
400 Sibley Street  
Suite #300  
St. Paul, MN 55101

And

Jennifer Keogh  
Community Development  
Metropolitan Council  
Housing and Redevelopment Authority  
390 Robert Street  
St. Paul, MN 55101

RE: Proposed Opt-Out from Housing Assistance Payments for Galway Place  
113<sup>th</sup> and Hanson Boulevard, Coon Rapids, Minnesota  
Master Section 8 ACC Number and Date: C-80-78; 09/25/80  
ACC List Number and Date: C-81-161; 12/03/80; Project No. MN46-H162-375

Dear Ms. Shields and Ms. Keogh,

This notice is intended to serve as the Impact Statement referred to in Minnesota Statutes, Section 471.9997 and is given to comply with Minnesota Statutes, Section 471.9997, which requires that, at least 12 months before termination of participation in a federally assisted rental housing program, including project-based Section 8 and Section 236 rental housing, the owner of the federally assisted rental housing submit a statement regarding the impact of termination on the residents of the rental housing to the governing body of the local government unit in which the housing is located (the "Impact Statement.") The Impact Statement must identify the number of units that will no longer be subject to rent restrictions imposed by the federal program, the estimated rents that will be charged as compared to rents charged under the federal program and actions the owner will take to assist displaced tenants in obtaining other housing. A copy of the Impact Statement must be provided to each resident of the affected building, 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.

Galway Place, Limited, a Minnesota general partnership, the owner, (the "Owner") of Galway Place (the "Project") has a Housing Assistance Payment Contract (the "Contract") with the United States Department of Housing and Urban Development ("HUD"). The Contract had a term of five years which expires on July 27, 2017.

One hundred percent of the Project is subject to the Section 8 contract. The Owner has determined, for business reasons, that it does not want to renew the Contract. After investigating the current market rate rents in and around the Anoka County area where Galway Place is located, it is evident that the rents allowed under Section 8 contract are falling below the market rate rents in the area. The Owner is in need of money to make necessary capital improvements to Galway Place and underperforming rents affect the annual cash available to make these improvements.

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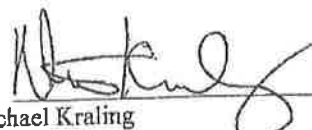
As you know, in order to elect not to renew (to terminate) the Contract, not less than one year's notice must be given to all involved tenants. Attached is a copy of the notice that is, concurrently, with the sending of this letter, being given to all tenants of the Project. Copies of this letter and the notice are being sent to each head of household by certified mail, to their respective address at the Project, with return receipt requested on June 29, 2016.

Also attached is a Resident Impact Statement showing current and proposed rents for the affected units. We intend to attempt to accommodate existing tenants who will be affected by the termination of the Contract by accepting Section 8 vouchers, provided the unit, the rent, and we, the Owners, meet the requirements of the Section 8 tenant - based assistance program. Other than making referrals to housing representatives, at the City of Coon Rapids, County of Anoka and Metropolitan Council, the Owner is unable to take any additional actions to assist displaced persons in obtaining other housing.

If you have any questions or comments, please call me.

GALWAY PLACE, LIMITED, OWNER  
A Minnesota general partnership

Dated: 6-24-16

By:  CFO  
Michael Kraling

Its: Partner

JUN 29 2016



GALWAY PLACE, LIMITED  
c/o Cedar Management Real Estate Services, Inc.  
7260 University Ave. N.E., Suite #200  
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Telephone number: 763-574-1500  
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www.cedarmanagment.com

Dear Tenant:

June 29, 2016

The Department of Housing and Urban Development (HUD) 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 Galway Place expires on July 27, 2017.

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 allow them to choose the place they wish to rent. The Section 8 voucher program is administered by the local Public Housing Authority. 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 a 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 programs requirements.

Please remember that 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 will be contacted by the local Public Housing

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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 unit until you have consulted with the local PHA 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 at MHFA**

Name: Crystal Shields

Phone Number: 651-284-3180

**HUD Regional Center**

Name: Michael Moran

Telephone Number: 612-370-3081

HUD Web

<http://www.hud.gov> – click on “I want to” and on the “Find Rental Assistance.”

Dated: 6-24-16

Sincerely,

By:

Michael Kraling

Phone: 763-421-3500

cc: Local HUD Office/Minnesota Housing

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RESIDENT IMPACT STATEMENT

Galway Place, Limited (Owner name), the owner of  
Galway Place (property), anticipates that on or after  
July 27, 2017 (date), it will terminate participation in the following federally  
assisted housing programs for the following number of units, which apply to the project:  
Project Based Section 8 (Program) 36 number of units  
\_\_\_\_ (Program) \_\_\_\_\_ number of units

Minnesota law requires owner to submit to the residents of the project, the City of

Coon Rapids, 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) (#) 36 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:  
2br. Hc Bedroom: \$ 1047.00 as compared to current rents charged under the federal program of  
\$ 939.00 and (2) bedroom: \$ 1091.00 as compared to current rents charged under the  
federal program of \$ 974.00 and (3) bedroom: \$ 1253.00 as compared to current rents  
charged under the federal program of \$ 1060.00 and (4) bedrooms: \$ 1476.00 as  
compared to current rent charged under federal program of \$ 1144.00.
- 3) Actions Owner will take to assist displaced tenants:

The Owner will attempt to accommodate existing tenants who will  
be affected by the termination of the Contract by accepting Section 8  
vouchers. Other than making referrals to housing representatives at the

Dated: 10-24-16

(Owner)  
By Michael Kraling  
Its Partner

City of Coon Rapids, County  
of Anoka, and the Metro-  
politan Council, the Owner  
is unable to take any  
additional actions to  
assist displaced persons  
in obtaining other housing.

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Galway Place  
Property Name  
MN46-H162-375  
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/FederalRegisterpublishedguidance.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)

By (Signature)

Title

Date

Michael Kraling  
[Signature]  
CFO  
6-24-16

JUN 29 2016