

BESSLER

Apartment Management Company
957 W Frontage Road
Byron, MN 55920

July 1, 2009

Dan Bartholomay - Commissioner
Attn: Robert L Odman - Assistant Commissioner MFH
400 Sibley St, Suite 300
St. Paul, MN 55101

Subject: Rural Development Borrower ID # 288715913
Rural Development Project ID # 018
Borrower Loan Prepayment Request
Villa Grande Apartments
Byron, MN 55920

Dear Mr. Odman,

Villa Grande Apartments, the subject housing development, a 24 unit family project-based Federal rental assistance property was developed in 1982 with a loan financed by USDA-Rural Development.

EIRoy Bessler and Don Sotebeer, Owner/Borrowers have made application to USDA-Rural Development to request approval for the existing Agency loan prepayment. Upon Agency approval, the Owner/Borrowers will prepay the loan and the prepayment will result in the termination of any Federal use restrictions that apply to the housing development and termination of the existing housing subsidy program.

In accordance with MN Statute 471.9997 "*Federally Assisted Housing: Impact Statement*", the number of units that will no longer be subject to rent restrictions by the existing Federal program is 24. The current monthly basic rents under the existing Federal program are \$437.00 to \$474.00 for a one-bedroom and \$472.00 to \$508.00 for a two-bedroom unit. It is estimated that the rents to be charged after prepayment will be \$474.00 for a one-bedroom and \$508.00 for a two-bedroom unit. Pursuant to prepayment, actions to be taken by the Owners to assist displaced tenants in obtaining other housing include: based on eligibility and availability, move tenants to other local project-based rental assistance or Section 8 rental housing; assist tenants in applying with other available local subsidized housing projects, and if funding is available, apply to state or federal agencies to develop additional rental assistance housing.

Owner/Borrowers wish to make known that if prepayment is approved on or about July 1st 2010 for Villa Grande Apartments, all existing tenants will be allowed to continue to rent under the same conditions as they now have. There will be NO CHANGES to rent formulas for current tenants. Prepayment approval restrictions will allow all existing residents to continue paying rents at the same rental formula as if prepayment had not occurred.

Please be advised that the USDA-Rural Development prepayment application has been addressed and forwarded to Laurie Schmitt, Area Specialist, USDA Rural Development, 1408 21st Ave NW, Suite #3, Austin MN 55912. Laurie can be reached at [redacted] or by e-mail at [redacted].

Sincerely,

Villa Grande Apartments
109 & 113 7th St NE
Byron, MN 55920

EIRoy Bessler



Don Sotebeer



cc: Laurie Schmitt, Area Specialist
City of Byron