

July 6, 2006

Sue Noren
Minnesota Housing
400 Sibley Street #300
St. Paul, MN 55101

**Re: River Park View
Impact Letter**

Dear Ms. Noren,

This letter is a follow up to the impact letter dated June 15, 2006. The June 15th letter is attached. That letter failed to give the expected prepayment date of the USDA 515 Rural Rental Housing Loan. The date of prepayment is one year after the date of this letter or July 6, 2007.

The partnership will be working with USDA Rural Development until that time to explore the options available to us. We will work toward the best solution for the residents, the property and the owner.

If you have any questions, please contact me at

Sincerely,



Jean Huwe
Vice President

cc: Residents of River Park View Apartments

June 15, 2006

Monticello City Council
505 Walnut Street #1
Monticello, MN 55362

Re: River Park View Apartments

Dear Mayor and City Council Members,

River Park View Limited Partnership is applying for prepayment of its USDA Section 515 Rural Rental Housing Loan. River Park View Limited Partnership owns River Park View Apartments a 31-unit, senior property located at 218 W. River Street in Monticello. Currently, ten of the units receive project-based subsidy.

The prepayment application will give us the following options:

1. Receive incentives from USDA to continue to operate the property as affordable rental housing.
2. Operate the property as market rate housing.
3. Sell the property to a new owner who will either continue to either operate the apartment as affordable rental housing or as market rate.

If the option of operating the property as a market rate community by either the current owner or a new owner is chosen, the impact on the residents will be as follows:

1. All 31 units at River Park View will no longer be subject to rent or income restrictions imposed by the USDA RD Section 515 program effective at least 12 months from the date of this notice.
2. Rents. The current basic rent for a one-bedroom unit is \$475 and \$495 for the two-bedroom unit. Ten residents receive project-based subsidy. Obviously, if the community remained affordable, no changes besides a normal annual increase would be made to the rent structure. If the property were to convert to market rate, one-bedroom rents could increase to \$575 and the two-bedroom to \$675, but the exact amount has yet to be determined. The project-based subsidy would also terminate.

Vouchers. The current residents that are receiving project-based subsidy will be given vouchers and may continue living at River Park View. The other residents who cannot afford the increased rent will be put on the St. Cloud HRA waiting list for vouchers. We will also transfer residents to other USDA Rural Development properties in the area as units become available. We will work with all residents to help them receive the assistance and housing they need.

Applying for prepayment does not automatically mean that the property will become a market rate community. So at this time, we are simply notifying all parties concerned that we have made the prepayment application to open up several options for the owner.

If you have any questions, please contact me at

Sincerely,


Jean Huwe

cc: Minnesota Housing Finance Agency
Residents of River Park View Apartments

OFFICE:

FAX:

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