

To the Residents of St Leo Housing:

The following process will not really affect you the resident, but we need to notify you one year in advance of our plans for the future. As you know, we have been involved in two Federal Housing Programs: 1. Rural Development 515 Program (they borrowed us the money to build the project.
2. HUD Section 8 Program (they subsidize your rent ---you pay 30% of your income and they pay the balance of the rent.

Therefore we issue the following:

RESIDENT IMPACT STATEMENT

St. Leo Housing Corporation, the owner of St Leo Housing, anticipates that on or after November 15, 2008 it will terminate participation in the Federal Rural Development 515 Program.

We will, however, still be keeping our Contract with HUD Section 8 Assistance Program as it is now.

Minnesota law requires owner to submit to the residents of the project, the City of St Leo, and the Minnesota Housing Finance Agency, a statement of the impact of such termination on the residents of the project. This document performs that purpose.

- 1) All 8 units within the project will no longer be subject to rent restriction imposed by the Rural Development Program effective as of 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 continue to be \$545.00 per 1 bedroom Apartment per month as it is now. Tenants will still be paying 30% of their income as they do now, and HUD Section 8 Program will continue to pay the rental assistance (balance of the rent).
St Leo Housing has only 1 bedroom apartments, so 2 bedroom rates never did apply.

Dated: November 15, 2007

Owner: St Leo Housing Corporation

By: Marilyn Rader

Its: Secretary / Treasurer