MAR 3 1 2011

RESIDENT IMPACT STATEMENT

Fredrick Korthal & Kenneth Raak, the owners of Nobles II Apartments, anticipates that on or after April 1, 2012, it will terminate participation in the following federally assisted housing programs for the following number of units which apply to the project.

USDA Rural Development 515 Program 24 units

Minnesota law requires owner to submit to the residents of the project, the City of Worthington, and the Minnesota Housing Finance Agency, and (if the property if 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. This document performs that purpose.

1. 24 units within the project will no longer be subject to rent restriction imposed by the federal program which applies to the project 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 be:
   a. (1) bedroom: $505.00 , (2) bedroom $530.00 and (3) bedroom $565 as compared to current rents charged under the federal program of $505.00, $530.oo and $565.00. **<u>However, even after prepayment of the loan, it is anticipated that tenants will still be paying 30% of their income towards rent.</u>**

3. Owner proposes to assist qualified tenants who may experience an increase in rent upon termination to obtain a Section 8 voucher from the United States Department of Housing and Urban Development or the Housing and Redevelopment Authority to avoid displacement.

Dated: March 29, 2011

Nobles II Apartments

By: Kenneth W Raak

Its: owner