

Rockford Associates
17319 Olinda Trail
Marine on St. Croix, Minn. 55047

October 2, 2001

City of Rockford
6031 Main Street
Rockford, MN. 55373

Re: Rockford Manor termination of federally assisted housing program.

Ladies and Gentlemen:

Rockford Manor is a 24 unit apartment complex financed by the USDA Rural Development 515 program. This complex provides affordable housing to seniors and people with a disability. The complex is located at 8830 Walnut Place, Rockford, MN, and is known as Rockford Manor.

We have requested permission to prepay the financing provided by USDA, effective October 2, 2002. Such a prepayment would remove the rent restrictions imposed by the program.

Currently there are 24 residents in the building whose rents are based on income. Rents are set at 30% of income, although some are subject to a current minimum rent of \$320.00. Rents currently range from \$105.00 to \$524.00 per month.

If the prepayment is completed, without restrictions, we estimate that rents will rise to a market level of \$540.00 per month. One of the tenants currently receives section 8 rental assistance and we do not believe that tenant would be affected by the change. The other 23 would be.

We have been providing affordable housing at this location for 20 years and the welfare of our residents and their continuing ability to access affordable housing is very important to us. In an effort to assist any displaced tenant we will:

- Discuss with the USDA any alternative program they may have available which might be an alternative to prepaying the loan without restrictions.
- Discuss with residents other currently available programs which might keep them affordably housed at Rockford Manor even if market rents become reality. This could include such programs as Section 8.

- Honor any leases which may be unexpired on the date of prepayment.
- Meet with other agencies which may be in a position to provide assistance to either the tenants or the project in order to maintain affordability.

Sincerely yours,

Dale R. Anderson

Cc:

Minnesota Housing Finance Agency ✓
Suite 300 400 Sibley St.
St. Paul, MN. 55101

AT 1A 4-100 10