

**MULTI-FAMILY RENTAL HOUSING PROGRAM FOR  
THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR  
THE CITY OF RAMSEY, MINNESOTA**

September 27, 2011

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA") proposes to take actions in furtherance of its objective to assist the multi-family rental housing program described herein (the "Program") pursuant to applicable authority conferred upon the HRA by the laws of the State of Minnesota, including without limitation Minnesota Statutes, Chapters 469 and 462C, as the same may be amended from time to time (collectively the "Act").

In creating this Program, the HRA is acting in furtherance of its findings that the preservation of the quality of life in Ramsey, Minnesota (the "City"), is in part dependent upon the maintenance and provision of adequate, decent, safe, sanitary, and affordable housing stock for moderate income families; that accomplishing the goals of this Program is a public purpose and will benefit the residents of the City; that the need exists within the City to provide in a timely fashion additional affordable rental housing to and for the benefit of persons of moderate income and their families residing and expected to reside within the City; that there exist or are expected to exist persons and families within the City who are and will be able to benefit from and are in need of the Program; that the Program is necessary in view of the limited resources that may be available to such persons relative to the expenses involved in accomplishing the type of objectives outlined in this Program in the absence of one or more of the forms of assistance described herein or otherwise available pursuant to the Act; and that the HRA has found and hereby reaffirms the determination that such forms of assistance are often necessary for the benefit of such persons, families, and goals and that, furthermore, the successful implementation of the objectives of the kind described in this Program has been found to provide impetus for the development of other housing in the City, as well as the general development of the City, by other persons who are not the beneficiaries of such governmentally sponsored or assisted activities.

More particularly, the HRA has found that there exists a need for multi-family rental housing to provide rental housing for persons of moderate income, which need is not being filled by private enterprise alone due to a variety of factors, including that the cost of new construction of multi-family rental units may in many cases prove economically unfeasible, given the high costs of construction and prevailing area rental levels, and that therefore appropriate levels of public assistance may be helpful and necessary in bridging that gap.

The HRA finds and determines that this Program is and will be conducted as a "housing development project" within the meaning of Minnesota Statutes, Sections 469.002, Subdivision 15, and 469.017. The HRA finds that the implementation of this Program is necessary to alleviate a shortage of decent, safe and sanitary housing for persons of moderate income and their families.

F & C Ramsey, LLC (the “Developer”) proposes to construct 230 multifamily rental housing units within the City (the “Project”). 50% of the housing units are intended for persons and families of moderate income and constitutes a housing development project under the Act and this Program. The initial owner of the Project is proposed to be the Developer. This Program is limited to the portion of the Project constituting a housing development project. The Project will be located in the area known as the COR in the City of Ramsey, Minnesota.

The Project consists of 25 studio units, 128 one-bedroom units, 68 two-bedroom units and 9 townhouse units. Monthly rents are \$850 for the studio units, \$940-\$1,060 for the one bedroom units, \$1,250-\$1,300 for the two-bedroom units and \$1,650 for the townhouse units.

The City intends to issue Taxable General Obligation Tax Increment Bonds, in one or more series, in an aggregate principal amount estimated not to exceed approximately \$8,000,000 to finance a portion of the cost of the acquisition and construction of the housing development project and to provide pay as you go tax increment financing assistance in an amount not to exceed \$3,000,000 for the housing development project.

The Program will be monitored by the HRA. The HRA expects to enter into suitable agreements with the Developer and other necessary parties to ensure consistent compliance with the objectives of this Program, as well as with the requirements of applicable law.

The need for the development described herein and for the assistance to be provided hereunder is found to exist by virtue of the HRA's discussions with private developers and the City's recent experience in attempting to promote or encourage private enterprise to promote the development of multi-family rental housing for moderate income persons and families. The HRA believes that this Program will help meet the identified needs under this Program.