

March 19, 2013



Tim Gladhill
Development Services Manager
City of Ramsey/Community Development
7550 Sunwood Drive NW
Ramsey, MN 55303

Dear Mr. Gladhill,

MWF Properties LLC is proposing to develop a 47 unit, multi-family work force housing community in Ramsey COR District 1. The 47 units will include a mix of two and three bedroom apartments to meet the demands for work force family housing in Ramsey. The community will occupy approximately 1.1 acres along Sunwood Drive – within walking distance of the Ramsey light rail station. The apartments will be located in a four-story building with underground parking, surface parking, an outdoor play area, and amenities within the building. All units will have balconies. The tenant population will be comprised of residents with income at or below 60% of the area median income.

The project is proposed to be funded primarily through the sale of tax credits awarded by MHFA pursuant to Section 42 of the Tax Code. We plan to submit an application to MHFA in June 2013. Notice of award is expected in October 2013. We anticipate starting construction in April 2014 and completing in December 2014.

We are projecting a total development cost of approximately \$9,913,000. Within that overall budget we have included receiving local financial contribution totaling a net present value of \$510,000. The local contribution can come in several ways (or a combination) including TIF, grants, reduction in land cost, and regulatory cost reductions.

The local contribution amount is necessary to the success of this project for two main reasons: the increased cost to meet the COR design framework and the need to achieve 4 points on the local contribution scoring criterion in the tax credit application process.

There are several aspects to the COR District 1 Design Framework which will require design enhancement beyond what is typical for workforce housing. Those include additional articulation of the building exterior, increased glazing, elimination of siding, and use of brick or comparable product on at least 50% of exterior walls.

The scoring criteria used in the competitive application process changes from year to year. Where a proposed project fails to achieve points in some criteria, additional points must be achieved in other aspects to have a competitive proposal. Based on the current scoring criteria we are confident that to be

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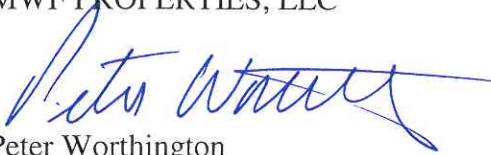
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competitive this project will need to achieve 4 points for the local contribution category. Achieving 4 points will require the level of contribution we are proposing.

We look forward to discussing our proposal further with you, the Ramsey HRA and City Council.

Very truly yours,

MWF PROPERTIES, LLC



Peter Worthington