



Bloomington Housing and Redevelopment Authority

■ 1800 West Old Shakopee Road ■ Bloomington MN 55431-3027 ■ 952-563-8937 ■ FAX 952-563-4977 ■ TTY 952-563-8740 ■

May 12, 2015

Peter Chmielewski
Senior Development Manager
Lennar Multifamily Communities, LLC
320 West Ohio Street, Suite 3W, #8
Chicago, IL 60654

RE: Commitment letter for eight Project-Based Vouchers at Lennar Multifamily Communities' development at Bloomington Central Station

Dear Mr. Chmielewski:

The Bloomington Housing and Redevelopment Authority (HRA) awarded eight Project-Based Section 8 Vouchers (PBV) to Lennar Multifamily Communities Indigo development at Bloomington Central Station. The HRA's Board of Commissioners approved your application at its meeting on October 14, 2014. This letter serves as the confirmation of the initial rents for the eight PBV units to the project.

The HRA understands that the eight PBV units will be part of the larger 394 unit apartment development, which is scheduled to begin construction in the spring or summer of 2015. The following chart details the initial rents (on the top line) that the HRA has approved for the project. The HRA understands that the bedroom mix for the PBV units will be: 3 one-bedroom units, 4 two-bedroom units and 1 three-bedroom unit.

	<u>1 BR</u>	<u>2BR</u>	<u>3BR</u>
Initial Contract Rent:	\$727	\$909	\$1,287
Utility Allowance*	\$104	\$131	\$178
Gross Rent	\$831	\$1,040	\$1,465

*Tenant-paid utility expense breakdown per month, per HRA's most recent Utility Schedule:

Gas heating	\$28	\$36	\$43
Electric cooking	\$13	\$17	\$22
Other electric	\$21	\$30	\$55
Electric water heater	\$16	\$17	\$21
Water & Sewer	\$26	\$31	\$37
Total	\$104	\$131	\$178

The next step in the approval of the PBV units is a subsidy layering review to be conducted by HUD to ensure that the project is not overly subsidized from their perspective. Staff will collect from you the necessary financial documentation of the project that will be supplied to HUD.

Please note that both the subsidy layering reviews must be completed before construction may begin. In addition, an Agreement to Enter into a Housing Assistance Payments (HAP) contract must be signed after the reviews are approved. The formal HAP contract will be signed when the units are completed and ready to lease in 2016.

The HRA is very pleased to be partnering with Lennar to bring affordable rental units to an underserved location within Bloomington. Please do not hesitate to contact Bryan Hartman, HRA Program Manager, at bhartman@BloomingtonMN.gov or 952-563-8943, if you should have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Grout', with a long horizontal line extending to the right.

Doug Grout
HRA Administrator

cc: S. Rudlang, Bloomington Port Authority
B. Schindler, Bloomington Port Authority