

September 6, 2001

Mr. Frank Simpson
1901 Harmony Heights Lane
Rapid City, SD 57702

Dear Frank:

A year ago your note for the deferred assessment on Harmony Heights Lane and Sunny Springs Drive was due and payable. You have paid \$65,000 of the assessment that was funded from the City's SAB 28 fund, however we have not resolved the issue of the \$125,000 in CDBG funds. The benefit for the CDBG participation was the construction of the 50 units of affordable housing.

On November 21, 2000, I wrote a memo to the Mayor and Council members regarding the balance owing on this deferred assessment and your request to extend this balance to a date in the future. An extension for payment of the deferred assessment will require Council approval.

I believe that a fair agreement is to extend this deferred assessment until September 30, 2003 or until an additional affordable housing development is under construction, which ever comes first. If you fail to submit the application and chose to do nothing within the next two years, then the balance of this assessment would be due and payable on September 30, 2003. The South Dakota Housing Development Authority awards tax credit projects twice a year, and in CY 2002 will be accepting applications in February and June. The tax credit application and approval process can be time consuming, but the proposed extended date on this assessment is achievable.

I look forward to hearing from you regarding this assessment and the proposed time extension.

Yours truly,

Bonnie J. Hughes
Community Development Director

/bjh