



July 22, 2019

City of La Crosse Economic Development Commission
City of La Crosse
400 La Crosse Street
La Crosse, WI 54601

**RE: The Apartments at Red Cloud Park
Project Memo**

Dear Commissioners,

I am writing to follow-up to my memo dated April 23, 2019 where I shared that the Apartments at Red Cloud Park did not receive an allocation of 9% Low Income Housing Tax Credits (LIHTC) from the Wisconsin Housing and Economic Development Authority (WHEDA) after failing to secure an adequately competitive score, primarily due to the loss of points within the Financial Leverage category. After further review of project underwriting and WHEDA's current Qualified Allocation Plan (QAP), we have determined that without significant additional soft funding sources, the development will not be competitive within the upcoming tax credit application round. Additionally, alternative financial structuring of the development are not feasible at this juncture, and therefore CommonBond will no longer be pursuing the development opportunity at 1319 Saint Andrew Street.

We have notified Caroline Gregerson, Community Development Administrator, that we will not be pursuing this project, and the CDBG funds should be reallocated. We also ask that you kindly terminate the TIF application process for this project, and return any unused application escrow.

We are so appreciative of the City of La Crosse's support of this project, including the significant financial contribution committed to the development, and are disappointed to share that it will not be moving forward as it would have brought high-quality affordable homes to the La Crosse community.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane" followed by a stylized flourish.

Diana Dyste
Project Manager