REQUEST FOR PROPOSALS
PERPICH APARTMENTS
MISSION-ORIENTED OWNERSHIP AND OPERATIONAL TRANSITION
Date of Publication: October 28, 2026

I. Introduction

Range Mental Health Center ("Range") is seeking proposals from qualified, mission-aligned organizations or respondent teams interested in acquiring ownership of Perpich Apartments (the "Property") and assuming responsibility for the continued operation of the Property as affordable housing and the delivery or coordination of supportive services for its residents. Range has a longstanding commitment to providing housing and supportive services to individuals and families in northeastern Minnesota. The Property was developed as part of that mission and currently provides affordable housing together with supportive services intended to promote housing stability and resident independence. Range housing supports program is designed to house and stabilize people with serious and persistent mental health issues who are experiencing homelessness. Range's services are designed to build independent living and tenancy skills and connect people with mental health services, healthcare and other community-based housing resources.

Range has determined that its continued ownership and operation of the Property and provision of associated housing support services is no longer sustainable within its existing organizational and financial model. Rather than initially approaching the Property as a conventional real estate disposition, Range's priority is to identify a successor capable of establishing a financially and operationally sustainable model that preserves the Property's affordable-housing mission, provides continuity and stability for existing residents, and provides or coordinates an appropriate level of supportive services.

Accordingly, this Request for Proposals ("RFP") represents Phase I of Range's ownership-transition process and is directed toward community-based, nonprofit, affordable and supportive housing, behavioral-health, social-service, and other mission-oriented organizations and collaborative teams with the experience and financial and operational capacity necessary to undertake such a transition. Range recognizes that the strongest proposal may involve multiple organizations with complementary expertise.

Range welcomes creative proposals and offers flexibility in both the transaction structure and the composition of the respondent team. Proposals may address acquisition of the apartment building separately from the commercial areas, clinic, and gym; acquisition of the entire Property; or redevelopment of some or all of the Property as a larger affordable or supportive housing project, including demolition and new construction. Respondents may propose other configurations that advance these objectives. Proposals may be submitted by an individual organization or a collaborative team that includes affordable or supportive housing owners, property managers,

behavioral health or supportive service providers, development partners, community center operators, capital partners, consultants, or other organizations needed to implement the proposed transition. Proposals should clearly identify the portions of the property to be acquired, the intended use of retained buildings, and the scope of any proposed demolition and new construction.

Range is interested in proposals that provide a comprehensive approach to the future of the Property. Range recognizes that respondents may have different organizational models, funding sources, service-delivery approaches, capital strategies, and transaction structures. Respondents are encouraged to explore opportunities for additional development on the site, including concepts that retain existing buildings while adding new housing or complementary uses. Respondents are encouraged to propose the structure they believe provides the most viable and sustainable long-term model for Perpich Apartments and its residents.

Range must complete its transition out of providing housing services on or before July 1, 2026.

Range is not undertaking this Phase I process for the purpose of maximizing the cash purchase price for the Property. Range is willing to consider a range of transaction structures, including a transfer for nominal or limited monetary consideration, where the proposed transaction provides a compelling and financially sustainable plan for the long-term ownership, capital improvement, operation, affordability, and supportive-service needs of the Property. Rather than establishing a predetermined acquisition price, Range is asking each respondent to propose the transaction structure and consideration that it believes appropriately reflects the financial commitments, capital investment, continuing affordability obligations, operating responsibilities, and services contemplated by its proposal.

II. Description of Property

Property Address: 3110 4th Avenue W, Hibbing, Minnesota

Legal Description: Unit No. 2, Perpich Condominiums, Common Interest Community No. 93, St. Louis County, Minnesota

Current Zoning: PD-04

Land Area: Approximately 5.3 acres

Number of Residential Units: 27

Unit Mix: 6 studio, 18 one bedroom, 3 two bedroom units, plus commercial/community space described below.

Current Use: Affordable housing with supportive services, clinical office, administrative office, and gymnasium.

Common/Community Areas: Community center, offices, gymnasium, treatment rooms, clinical space.

Capital Improvements/Physical Condition: Needs assessment completed in 2026, available upon request.

III. Flexibility in Future Service Model

Range does not require a successor to replicate Range's existing service-delivery model. One of the purposes of this RFP is to identify a financially and operationally sustainable model for the long-term operation of the Property. Respondents should describe the level and type of supportive services they believe are appropriate for the resident population, how those services would be delivered or coordinated, the organizations responsible for providing them, and the funding sources anticipated to support the proposed model. The Property currently provides 27 affordable housing units, including four units required under the existing Land Use Restriction Agreement (LURA) to serve households experiencing homelessness. Proposals must address preservation of this four-unit commitment in accordance with the LURA. This distinction creates flexibility to explore a range of housing configurations, income levels, and redevelopment approaches while preserving the required deeply affordable units, subject to the LURA and any other applicable restrictions or approvals.

Range is particularly interested in proposals that identify sustainable combinations of housing, supportive-service, behavioral-health, governmental, philanthropic, reimbursement, or other available funding sources.

IV. Affordable Housing Financing and Existing Restrictions

The Property was developed and operated using multiple sources of affordable-housing financing and grant assistance. Range has undertaken a review of the financing and grant-related encumbrances affecting the Property. Certain legacy grant and financing obligations have expired or otherwise become eligible for release. Range has prepared releases for those items and is undertaking the necessary title-cleanup process in connection with the proposed transition. The Property remains subject, however, to certain affordable-housing financing and compliance requirements that will need to be addressed as part of any transfer.

1. Greater Minnesota Housing Fund

The Property is subject to a construction mortgage originally made by Perpich Apartments Limited Partnership to Greater Minnesota Housing Fund in the original principal amount of $270,000. The financing is identified as forgivable in April 2036. Range's existing review indicates that MHFA consent is required in connection with the sale of the Property.

2. Minnesota Housing Finance Agency

The Property is also subject to a Loan Repayment Agreement and Mortgage in favor of the Minnesota Housing Finance Agency ("MHFA") in the original principal amount of $394,798, with interest, if any, at 1%. The affordability period requiring a minimum of four units to be served financing is identified as forgivable on April 26, 2036. The Property is subject to a 30-year LIHTC compliance period, and MHFA consent is required in connection with a sale. Respondents should assume that any transaction will be subject to applicable continuing affordability requirements and required MHFA and other funding-party consents. Additional information concerning the applicable financing documents and continuing affordability requirements will be provided during the RFP and due-diligence process.

V. Range's Transition Objectives

Range's principal objective is to identify a respondent or respondent team capable of establishing a sustainable long-term model for ownership and operation of the Property. Range will give particular consideration to proposals that demonstrate the ability to:

1. **Preserve Affordable Housing.** Continue operation of the Property as affordable housing consistent with applicable financing and regulatory requirements and, where feasible, the Property's existing affordable-housing mission.
2. **Promote Resident Stability.** Minimize displacement and disruption to existing residents and provide a thoughtful transition of ownership, property management, resident communications and supportive services.
3. **Establish a Sustainable Service Model.** Provide or coordinate supportive services responsive to the needs of the resident population through a financially sustainable service-delivery model. The proposed model need not duplicate Range's existing service model.
4. **Provide Qualified and Responsible Ownership.** Demonstrate organizational experience, financial capacity and operational capability to own, manage and operate affordable or supportive housing, either independently or through a qualified respondent team.
5. **Complete an Orderly Transition.** Demonstrate the ability to complete due diligence, obtain required approvals and transition ownership and operations within a reasonable period. Respondents should note that approximately 120 days will be required for MHFA review and approval.

Range recognizes that the manner in which these objectives are accomplished may differ substantially among respondents. Respondents are encouraged to identify innovative funding, service-delivery, ownership, development, partnership or capital structures that advance these objectives.

VI. Proposed Transaction Structure and Consideration

Range recognizes that the economic value of a proposal cannot be measured solely by the cash consideration paid for the Property. The Property has eventual capital needs, continuing affordability obligations and operational responsibilities. The cost of

addressing those obligations is relevant to the economics of any proposed transfer. Accordingly, Range will evaluate the total economic and mission commitment reflected in each proposal, including acquisition consideration, assumption or treatment of existing financial obligations, proposed capital investment, affordability commitments, operating resources, supportive services, and any financial or operational assistance requested from Range. Respondents should propose the transaction structure they believe best supports their proposed operating and capital model. Range must transition ownership to a new provider on or before July 1, 2027.

Range is expressly willing to consider proposals involving nominal or limited acquisition consideration where the proposal demonstrates substantial mission benefit, financial and operational capacity, appropriate capital investment, continued affordability, resident stability and a sustainable approach to supportive services.

VII. Respondent and Respondent Team

Respondent Name:

Primary Contact Name, Address, Email and Phone Number:

Proposed Property Owner:

Identify each material member of the respondent team and describe their proposed role:

Organizational Background and Experience
Describe the respondent's and respondent team's organizational mission and relevant experience with affordable housing, supportive housing, behavioral-health services, social services, property management, development or similar operations:

Describe existing housing and/or supportive-service operations within Minnesota or comparable markets:

Supportive Services

Describe the supportive services the respondent proposes to provide or coordinate for residents:

Identify whether services would be provided directly by respondent, through an affiliate, through third-party providers, or through another member of the respondent team:

Describe anticipated funding sources for the proposed supportive-service model:

Describe how the proposed service model differs from, or would transition from, Range's existing model:

Existing Residents and Transition

Describe the proposed approach to maintaining housing stability for existing residents during the transition:

Describe the proposed transition process for property management, resident services and communications:

Identify any anticipated changes affecting existing residents and how those changes would be managed:

Financial Capacity and Implementation

Respondents should provide a preliminary sources-and-uses statement and sufficient operating information or a preliminary operating pro forma to demonstrate the feasibility of the proposed model. Respondents should also describe their financial capacity to complete the proposed transaction and implement the proposed capital and operating plan, including relevant committed or anticipated funding sources.

Range recognizes that certain funding commitments may not be obtainable until a respondent has been selected. Respondents should clearly distinguish committed funding, reasonably anticipated funding, and funding that remains subject to application, underwriting or other third-party approval.

Requested Transition Assistance
Range's objective is a **full transition of ownership and operational responsibility**. Range does not anticipate continuing indefinitely as owner, operator or service provider. Range may, however, consider reasonable, limited and time-bound transitional assistance where doing so materially facilitates a successful transition. Describe any financial, operational, staffing, service, technical or other transitional assistance requested from Range:

Contingencies
Proposals that present a clear and achievable path to closing and operational transition will receive favorable consideration.
Please specifically identify all contingencies applicable to the proposal, together with the anticipated date for satisfaction or waiver of each contingency.

Physical Inspection/Property Condition:

Financing/Funding:

Organizational/Board Approval:

Governmental/Licensing Approvals:

Review of Existing Resident/Operating Information:

Other:

VIII. Due Diligence and Additional Information

Range shall provide existing reports, assessments, plans, or other information concerning the Property for informational purposes as part of the RFP or due diligence process. The availability of such information will not relieve a respondent of responsibility for conducting its own investigation of the Property or developing its own assessment of anticipated rehabilitation, repair, maintenance, and capital improvement needs. Available information is anticipated to include:

- current rent roll and unit information;
- resident income/AMI information in an appropriately aggregated or protected format;
- current service descriptions;
- historical operating information;
- existing financing and affordability documents;
- available grant information;

- available Property plans and facility information;
- available information concerning capital improvements and anticipated capital needs; and
- title information.

Certain information concerning residents, services, operations or finances may be made available only following execution of an appropriate confidentiality agreement. The Property is being offered for transfer “AS IS, WHERE IS, WITH ALL FAULTS,” in its present physical condition. Range and Perpich Apartments Limited Partnership will have no obligation to make repairs, replacements, renovations, capital improvements, or other physical improvements to the Property as a condition of the transfer.

The condition of the Property and the capital investment proposed by a respondent are material components of this RFP. Range recognizes that the cost of assuming responsibility for the Property in its existing condition may affect the acquisition consideration proposed by a respondent and will evaluate the proposed acquisition consideration together with the respondent’s proposed capital investment and other commitments to the Property.

The sale must close on or before July 1, 2027. Respondents must include a proposed schedule demonstrating their ability to complete due diligence, secure financing, obtain necessary approvals, and close by that date.

RFP Schedule

RFP Issued: October 28, 2026
Property Tours/Informational Meeting: November 12, 2:30 PM
November 20, 2:30 PM
Additional access available upon request
Proposals Due: December 11, 2026
Anticipated Respondent Selection: December 30, 2026

Submission of Proposals: All questions and proposals must be delivered or emailed to:

Andrea Macenski
Range Mental Health Center
624 S 13th Street
Virginia, MN 55792
amacenski@rangementalhealth.org
218-749-2881 ext. 1124

Proposals must be received no later than 4:30 pm, December 11, 2026. Range reserves the right to request additional information, conduct interviews, seek clarification of proposals, negotiate with one or more respondents, request revised proposals, conduct additional rounds of proposals, reject any or all proposals, or discontinue or modify this RFP process at any time. Selection of a respondent will be in Range's sole discretion. This RFP may be withdrawn or modified at any time without notice. Nothing contained in this RFP, the submission or selection of a proposal, negotiations, due diligence, or any written or oral communication will create a legally binding obligation on the part of Range, Perpich Apartments Limited Partnership, or any respondent. No party will be legally bound with respect to a transfer of the Property unless and until all applicable parties execute and deliver definitive transaction documents and all required third-party approvals have been obtained.

Range looks forward to working with interested organizations and collaborative teams to identify a sustainable future for Perpich Apartments and the residents and community it serves.