



**City Council Work Session
Monday, July 21, 2025 at 5:00 PM
Public Meeting Room**

AGENDA

1. Call to Order

- A. Welcome and Introductions - Mayor Tom Spooner and HRA Chairperson Colin Maltbie
- B. Goals for Work Session - Jessica Kinser, City Administrator
- C. Overview of HRA Activities- Tom Furman, HRA Executive Director

2. Items for Discussion

- A. Overview of 2026-2030 City of Faribault Strategic Plan Goal: Invest in Housing to Preserve Community - Jessica Kinser and Dave Wanberg
- B. 2026 HRA and City of Faribault Shared Budget Priorities

3. Future Discussion

- A. Proposed HRA Strategic Planning Process- Tom Furman

4. Adjournment

(The Council may meet as a group for dinner)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting.

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Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: July 21, 2025
SUBJECT: Goals for Work Session - Jessica Kinser, City Administrator

Discussion:

This work session comes at a time when partnerships and collaboration mean more than ever. The City of Faribault is wrapping up a strategic planning process which is bringing forward priorities for the next 5 years and is seeking ways in which we can collaborate with entities like the HRA to ensure that all resources, human and financial, are functioning as efficiently as possible to ensure progress towards our mutual goals is happening. The Faribault HRA will be undertaking a strategic planning process in the near future, providing a road map to the goals they will establish as part of their organization.

For this work session, the goals staff has set forth, are the following:

- A renewed partnership between the City Council and the HRA board

There are new faces on both the City Council and the HRA board and coming together to discuss how we can work together is one step that all parties can take to enhance collaboration.

- Consensus on funding priorities for 2026 related to the HRA tax levy

To ensure the best use of resources and no duplication of services, discussion around what is important to the City Council and to the HRA Board is necessary to ensure a smooth budget process that results in a 2026 budget for both the HRA and the City of Faribault that reflects the priority of housing initiatives.

Attachments:



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: July 21, 2025
SUBJECT: Overview of HRA Activities- Tom Furman, HRA Executive Director

Discussion:

Currently Active Programs

1. Dead & Diseased Tree Removal Program

- **Investment:** \$250,000
- **Purpose:** Assists homeowners in removing hazardous trees from private property to enhance safety, aesthetics, and property values.

2. Mobile Home Rehabilitation Program

- **Investment to Date:** \$110,000
- **Future Allocation (Next Two Years):** \$120,000
- **Purpose:** Provides essential repairs to manufactured homes for improved safety and habitability.
- *Note: Initially administered by HCI; now operated by Three Rivers Community Action.*

Programs Being Reintroduced

3. Downtown Rental Development Incentive

- **Support:** \$20,000 forgivable loans per new rental unit
- **Purpose:** Incentivizes new rental unit creation—particularly in upper-story and underutilized downtown buildings.
- **Status:** Previously implemented; under consideration for relaunch and potential expansion.

4. Affordable Rental Rehabilitation Partnerships

- **Approach:** Collaboration with developers

- **Focus:** Rehabilitating units specifically for low- to moderate-income tenants
- **Status:** Past partnerships are being reviewed for future implementation.

5. Home Improvement Program

- **Historic Model:** Previously grant-based
- **New Direction:** Transitioning to a loan-based structure
- **Purpose:** Support essential home repairs and preservation of existing housing stock.
- **Status:** Program framework under redevelopment.

New Initiative Under Consideration

6. State 4d Affordable Housing Program

- **Purpose:** Offers landlords property tax reductions in exchange for committing to income/rent restrictions, preserving naturally occurring affordable housing (NOAH).
- **Status:** Not yet implemented in Faribault; actively exploring participation in this state-supported initiative.

Attachments:

- Data Measure: City action is taken on the site (plan adopted, RFP released, lease signed, etc.)
-

Goal 3: Invest in Housing to Preserve the Community.

 Ties to organizational WEAKNESS of Regional Housing Shortage

Why this Matters: Addressing the regional housing shortage is a critical priority for the City of Faribault's sustainable growth and economic vitality. Without a sufficient supply of quality, affordable, and diverse housing options, the City risks losing residents, workforce talent, and future opportunities for economic development. Stable and accessible housing is foundational to foster community pride, enhance public health, and encouraging long-term investment in Faribault.

While the City has made significant progress in creating a developer-friendly zoning environment and elevating affordable housing discussions through recent community engagement efforts, further strategic focus is necessary. This includes understanding the housing needs of diverse populations and prioritizing reinvestment to preserve and enhance the existing housing stock, thereby strengthening the overall fabric of the community.

Note: These efforts should likely be joint between the City Council, staff, and the Housing and Redevelopment Authority Board.

Objective 3.1: Maximize land use around underutilized land within the city to support housing development.

Initiative 10: Develop and adopt a formal infill lot strategy to maximize redevelopment of smaller sized vacant lots that are in older neighborhoods. These lots are often less readily considered for new home development due to smaller lot size. Consider clear standards of construction or a library of pre-approved architectural plans for infill sites that are suitable for these unique sites to drive infill housing. [Example from South Bend, IN.](#)

- Data Measure: of infill lots identified throughout Faribault through mapping or inventory process.
- Data Measure: infill lots redeveloped or under development annually after implementation of a formal strategy.
- Data Measure: of pre-approved architectural plans created, downloaded, or utilized.

Initiative 11: Explore creation of a land trust for housing with the [Minnesota Community Land Trust Coalition](#). Currently Rice County is one of 5 counties in the state that is not participating through a community land trust effort or housing partnership. Land trusts are a tool for creating

and maintaining permanently affordable housing through non-profit ownership of the land, and private lease-to-own ownership of the homes. This mechanism makes home ownership significantly more accessible, allows for owners to build some equity, but also ensures permanent affordability.

- Data Measure: Feasibility report or case study completed.
- Data Measure: Sites identified for a community land trust.

Objective 3.2: Direct resources toward stabilization of existing housing stock.

Initiative 12: Explore ways to empower existing homeowners to rehabilitate and reinvest in existing housing stock in the city. Economic barriers may stand in the way of a home's maintenance, but revitalized homes in Faribault can help to stabilize neighborhoods. This may include direct forgivable loan programs, grants, or Rock the Block initiatives with partners such as Habitat for Humanity.

- Data Measure: of homes rehabilitated via a grant or loan program.
- Data Measure: of homeowners served (with breakdown by income level and / or neighborhood).

Initiative 13: Explore creating incentives for landlords who reinvest in their rental properties without dramatically increasing monthly rents. There are anecdotal reports of aging or poorly maintained rental units in the City of Faribault but reinvestment in the property would likely result in a direct rent increase for tenants. This would likely lead to direct harm for BIPOC and senior renters.

In larger Minnesota cities like [Minneapolis](#) and [St. Paul](#), their departments opt to take a route of helping landlords apply for a specialized low-income rental tax classification to realize significant property tax reduction. These savings are required to be routed into reinvestment and updates for the properties.

- Data Measure: Equity lens (% of participating units occupied by BIPOC, senior, or low-income tenants impacted by this reinvestment).
- Data Measure: of rental units improved through reinvestment without significant rent increases.

Goal 4: Future-proof the workforce by being the city that Cares for Its People

🔗 Ties to organizational STRENGTH of Dedicated and Knowledgeable Staff

🔗 Ties to organizational WEAKNESS of Staff Capacity and Organizational Support



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: July 21, 2025
SUBJECT: 2026 HRA and City of Faribault Shared Budget Priorities

Discussion:

Listed below are a few items that are gaps or directly relate back to the City's strategic plan. The goal is to keep this as a high-level conversation, as many of these discussion points are new or undefined. This session is not to design a program but to discuss the high level merit of an item as part of the 2026 budget. Assuming specific items are a priority, further definition will come forward as part of budgetary requests for both the City of Faribault and HRA. As we go through these items, discussion is encouraged around the following questions:

- 1. Is this a priority for 2026?**
- 2. Who will take the lead - City or HRA?**
- 3. Who has financial responsibility?**

• Incentives for landlords to reinvest in their properties

This item is a gap that recently came up at an EDA meeting with some requests for assistance. While the HRA has provided assistance to units under a program targeting upper-story housing in the downtown, the City has not entered into this area. Rental housing is an important facet of our community, and the preservation of affordable rental housing that provides quality of life for residents is necessary for a thriving, healthy community.

• Owner-occupied housing reinvestment

There are continual opportunities for working with homeowners in the community to help make improvements. With an aging housing stock, interventions are required to prevent blight and degradation that creates unsafe conditions for living and a negative impact on the overall tax base

of the community. The HRA has had programs in this area in the past, but the City has not traditionally gotten into this space.

- **Redevelopment of properties throughout the community**

Redevelopment of property moves the community forward by remediating blight and creating new opportunities in the inner core of the city rather than having everything be a greenfield opportunity at the edges of the community. Redevelopment can mean many things and look many different ways. The City Council frequently plays a role in redevelopment of property to allow for new uses. The HRA has participated in this as well in the past.

- **Land Trust Development**

This topic has been broadly talked about in the community, as Rice County does not have a land trust. While not solely an HRA or City of Faribault led initiative, this would benefit the community and require conversations with Rice County and other stakeholders to move this forward.

Attachments:



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: July 21, 2025
SUBJECT: Proposed HRA Strategic Planning Process- Tom Furman

Discussion:

The HRA will be engaging Allyson Brunette to help guide the HRA Board through the creation of a comprehensive strategic plan. This process will include facilitated discussions, stakeholder engagement, and workshops designed to clarify the HRA's goals, expand its impact, and define its role in the broader housing ecosystem of Faribault. Allyson brings valuable insight from her prior work with the City, and her involvement will help ensure alignment, increase clarity around governance and mission, and provide the HRA with a clear roadmap to strengthen its programs, partnerships, and long-term housing strategies.

Attachments: