



HOUSING & REDEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE
ROOM

MONDAY, MAY 11, 2026

6:00 PM

1. Call to Order/ Approve Agenda
2. Approval of the Minutes
3. List of Claims to be Paid
4. Program Reports
 - A. April 2026 - HRA Operating Fund Financial Report
5. Property Reports
 - A. Resolution 2026-15 Approve Property Management and Maintenance Agreement and Accounting Services Agreement with Trekk
 - B. Resolution 2026-16 Update Authorized Signers for the Scattered Sites Bank Accounts
 - C. 2025 Year-End Financial Report- Scattered Sites - Fund 294
 - D. Occupancy for Scattered Sites
6. Public Hearings
7. Items for Discussion
 - A. Housing Partner Presentation - Rice County Community Land Trust - Teri Menard and Laura Helle
 - B. Resolution 2026-17 Approve Financial Assistance to Support Affordable Housing in the Twin Oaks Subdivision
 - C. Financial Assistance Request for a Proposed Supportive Housing Program for Young Men Ages 18-24
 - D. Review the HRA's Strategic Priorities in Relation to the HRA's Housing Needs Analysis
 - E. Robinwood Manor Closeout Update
 - F. Update on HRA Executive Director Position
8. Adjournment



HOUSING & REDEVELOPMENT AUTHORITY MINUTES

3RD FLOOR
CONFERENCE ROOM

MONDAY, APRIL 13, 2026

6:00 PM

Meeting Items

1. Call to Order/ Approve Agenda

Vice Chair Mandy Barnes called the meeting to order at 5:57 p.m. Commissioners in attendance were Carrie Winjim, Jonathan King, Deborah Lyzenga, Jeannie Michels, Travis McColley, and Vice Chair Mandy Barnes. Staff present were Kari Casper, David Wanberg, Jessica Kinser, and Kindra Papenfus. Special guests include Laura Helle, Jansen Gonzales, Joy Watson, Ayan Aden, Chuck Thiele, Mayor Tom Spooner, Royal Ross, Nort Johnson, and Matt Drevlow.

David Wanberg asked that the agenda's order be changed to move 7A first, 4A second, and then 7B after that, and then commence with the rest of the agenda as usual. A motion was made by Travis McColley, seconded by Vice Chair Mandy Barnes, to approve the agenda with the changes as presented by David Wanberg.

2. Approval of March 9, 2026 HRA Meeting Minutes

A motion was made by Travis McColley, seconded by Jonathan Kin to approve the meeting minutes of March 8, 2026 as presented. The motion passed unanimously.

3. List of Claims to be Paid

The weather began to get bad at this point during the meeting — hailstorm at 6:50 p.m. Wanberg explained that there had been a lot of unit turnovers that required a lot of work and those bills are high. The list was not in the packet. Kinser pulled up the bills. King asked if Robinwood was over yet. McColley asked about the \$21,000 bill, which was time staff spent on Robinwood. Kinser gave the balances of the accounts. A motion was made by Travis McColley, seconded by Jonathan King, to receive and file the list of claims as presented. The motion passed unanimously.

4. Program Reports

A. Three Rivers Manufactured Home Improvement Efforts - Quarterly Report

Laura Helle was here to give a presentation on the first quarter of the Mobile Home Programs through Three Rivers. She mentioned that they ask homeowners to put in at around 50/50 on such projects, like a new roof. Last year, she said they had about \$8,000 in homeowner resources. The ROI is about \$2.50 per \$1. Lyzenga asked how they were publicizing this program; she'd never heard of it. Helle said that there's a lot of "word-of-mouth." At Evergreen Estates, they have a board where they could post it in the mail room. Jansen said that they do "Evenings in the Park". These make start in June of this year. It was asked if they have repeat applicants. Jansen said that he has

HONESTY ▪ RESPECT ▪ DEDICATED ▪ VISIONARY ▪ ACCOUNTABILITY

seen a lot of repeat applicants. Barnes asked Lyzenga what the lot rent was for Evergreen, and she said around \$700/month. Lyzenga said that the lot rent has been going up, and the newer homes are paying the larger lot rent since the new owners came in. Lyzenga said that people are leaving because they cannot afford to pay the higher lot rent and a mortgage.

Motion by Travis McColley, seconded by Jonathan King, to amend the agreement with Three Rivers to allow them to have expenditures reported within 24 months. The motion passed unanimously.

An additional motion was made by Jonathan King, seconded by Carrie Winjum to receive and file the quarterly report as presented. The motion passed unanimously.

B. HRA Operating Fund (290)

Motion by Travis McColley, seconded by Jonathan King to Approve. Motion Passed.

5. Property Reports

A. RAD Repositioning Closeout Update

Kindra Papenfus had setup the Reserve for Replacement Account required by the closing of the RAD repositioning. All the funds were transferred out of Public Housing to Scattered Sites. She stated that fund 291 to Scattered Sites into fund 294. She also submitted SF425 to HUD is also normally used to report expenditures of federal funds. She reported that we have meet the requirements to get the RAD closed up. No action taken at this time.

B. Scattered Sites - 20-Year Capital Needs Assessment Quotes

Kinser recommended Lumina for the Capital Needs Assessment. Kinser would like each unit inspected and explained the expenditures. Kinser also explained that they would like this to be presented in an MN Housing format as well and back in time to put these numbers in the budget for next year. After much discussion, a motion was made by Deborah Lyzenga, seconded by Jonathan King to approve the authorizing of the signing of the proposal with Lumina as recommended by the City Administrator as presented. The motion passed on a 5/1 vote. McColley was the only member dissenting.

6. Public Hearings

None.

7. Items for Discussion

A. Housing Partner Presentation - Rice County Housing and Redevelopment Authority (HRA)
- Joy Watson, Director of Housing

Jessica Kinser introduced Joy Watson, Director of Housing for Rice County, who gave a presentation on the County's role in assisting the Faribault HRA with the services they provide. They have tenant-based housing and project-based housing. She discussed the funding sources and various programs. She explained that they are allotted so many vouchers, but the vouchers equate to dollars. Some are tied to programs. The Housing Choice Voucher is where they can move and, if they move, we still pay the voucher unless the receiving location decides if they want to take them on. If people come here, we bill those out. She thought they had four, currently. She explained that

with our 49 scattered sites, we are the landlords and they administer the subsidy. They do the inspections for the subsidy. If the unit passes one the first time, it will be inspected every two years. They also manage the wait list. McColley asked what the priorities were. Watson said that the regulation is that you have to live or work in Rice County. The different programs have different priorities. There are preference points, like working or elderly and/or the disabled. Barnes asked about the expiration of the vouchers. Watson said that the applicant has 60 days to find a place to live, and they could decide to give an extension. Mainstream gets 120 days, which is for people with a disability. If the voucher expires, it goes to the next person.

She discussed the Faribault Housing Study. She explained that in 2012 the median housing income was \$120,000, now it is \$294,000. Incomes have not doubled to meet that need. Homeownership is a need that has to be filled. She went on to discuss the Twin Oaks Housing Project, which is on 7 acres for housing. In 2021, the RCHRA had the possibility to get the funding for an affordable subdivision. They partnered with Three Rivers and began looking for a builder. For the builder, they used Habitat for Humanity. In 2024, they built a 22-lot subdivision on that site with Three Rivers, City of Faribault and several other partners to get that done. They worked with City and developed a Tax Increment Financing option to help with the building of this subdivision. There is a space for a city park to be built out there that will connect to the trail system. Several of the homes have been sold. Three Rivers applied again and has received funding for an additional eight homes out there.

- B. Resolution 2026-14 Authorize the Release of the FDC Agreements associated with 227 and 229 Central Avenue and Authorize the Execution of New Agreements with a New Owner of the Property based on the Terms and Conditions of the FDC Agreements

Matt Drevlow is a property owner in the downtown and wants to develop these properties in a certain period of time and wants a separation between FDC and himself. McColley asked about the allocation assigned. Drevlow did not have the exact numbers. He has applied for Historic Tax Credits for the buildings. He may have some gap financing and may come back. His intent is to rebuild and hold the buildings. Motion by Travis McColley, seconded by Carrie Winjum to Approve Resolution 2026-14 Authorize the Release of the FDC Agreements Associated with 227 and 229 Central Avenue and Authorize the Execution of New Agreements with a New Owner of the Property Based on the Terms and Conditions of the FDC Agreements as presented. The motion passed unanimously.

- C. Resolution 2026-12 Authorize Internal Repayments of Funds Due from the Scattered Sites Fund

There were internal transfers that need to be returned to the original funds. Motion by Carrie Winjum, seconded by Deborah Lyzenga, to Approve Resolution 2026-12 Authorize Internal Repayments of Funds Due from the Scattered Sites Fund. The motion passed unanimously.

- D. Resolution 2026-13 Release Right of Reverter from Purchase Agreement with Chamber Trust for 728 Division Street East

Motion by Travis McColley, seconded by Jonathan King to Approve Resolution 2026-13 Release Right of Reverter from Purchase Agreement with Chamber Trust for 728 Division Street East as presented. The motion passed unanimously.

- E. Appointments to Elderly Housing Corporation Board

Jessica Kinser stated that before the next HRA meeting on the 11th of May, they will hold an Elderly Housing Corporation meeting. For the annual meeting of that Board, the HRA will need to elect two members for the EHC Board. Currently, there are two vacant seats to fill. Jonathan King agreed to replace Shafi Qanyare. Jeannie Michels also agreed to be on the board. The only action needed would be to dissolve the corporation, so it will be a short term for the meeting on the 11th. A motion was made by Travis McColley, seconded by Carrie Winjum. The motion passed unanimously.

- F. Review the HRA's Strategic Priorities in Relation to the HRA's Housing Needs Analysis
Motion by Travis McColley, seconded by Deborah Lyzenga to carry this item to the next meeting. The motion passed unanimously.

- G. Focus Area #5 Address Bight for Future Opportunity - Tree and Stump Removal Program
Jessica Kinser presented this grant opportunity and gave the board some options. The HRA could dedicate the \$40,000 to the grant program to assist with 50% of the costs for tree and stump removal (the grant would assist with the other 50%) for as many owners as the funds will assist that meet the grant's income qualifications of 80% AMI. Based on the initial grant application of \$2,000 per household, this would allow for the HRA funds to impact 40 additional households and the overall grant funds to impact 120 estimated households total or 20 more than in the application. After much discussion, the board chose Option 1 as presented. Motion by Carrie Winjum, seconded by Deborah Lyzenga to approve Option 1 as presented. The motion passed unanimously.

- 8. Adjournment
Motion by Jonathan King, seconded by Mandy Barnes to Adjourn at 8:12 p.m. The motion passed unanimously.

By: _____

Vendor	Name	Remit	Document	Invoice	Payment M PO	Contract	Invoice Amt	Voucher	Status	Is Released:	1099-G year	Dept
10204	Rice County		4 16321	Faribault Cit	Normal		20,200.50		Pending app	Yes		2026 Fin
10756	Faribault Int		0 16829	47115	Normal		11,500.00		Held	No		2026 HRA

Vendor Name	Remit	Document	Invoice	Payment Method	PO	Contract	Invoice Amt	Voucher	Status	Is Released	1099-G	yea	Dept
10204 Rice County	4	16321	Faribault City HRA	Normal			20,200.50		Pendii	Yes		2026	HRA
							\$ 20,200.50						Fin

BATCH 2353

Vendor Name	Remit	Document	Invoice	Payment Method	PO	Contract	Invoice Amt	Voucher	Status	Is Released	1099-G	yea	Dept
10204 Rice County	4	16638	60074917	Normal			1,207.72		Pendii	Yes		2026	HRA
10204 Rice County	4	16639	60074902	Normal			120.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16640	60074952	Normal			240.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16641	60074948	Normal			60.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16642	60074941	Normal			636.46		Pendii	Yes		2026	HRA
10204 Rice County	4	16643	60074971	Normal			360.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16644	60074994	Normal			415.27		Pendii	Yes		2026	HRA
10204 Rice County	4	16645	60074993	Normal			120.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16646	60074992	Normal			60.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16647	60075032	Normal			60.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16648	60075077	Normal			959.61		Pendii	Yes		2026	HRA
10204 Rice County	4	16649	60075103	Normal			60.00		Pendii	Yes		2026	HRA
10204 Rice County	4	16650	60075498	Normal			60.00		Pendii	Yes		2026	HRA
							\$ 4,359.06						

BATCH 2425 - paid

Vendor Name	Remit	Document	Invoice	Payment Method	PO	Contract	Invoice Amt	Voucher	Status	Is Released	1099-G	yea	Dept
10417 Faribo Plumbing & He	0	16664	66915	EFT			591.75		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16665	66916	EFT			693.50		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16666	66860	EFT			945.50		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16667	66947	EFT			156.25		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16669	67020	EFT			189.50		Held	No		2026	HRA
10713 City of Faribault	0	16652	005090-179 Mar	Normal			34.78		Held	No		2026	HRA
10713 City of Faribault	0	16653	005090-177 Mar	Normal			161.36		Held	No		2026	HRA
10713 City of Faribault	0	16654	005090-026 March	Normal			81.85		Held	No		2026	HRA
10713 City of Faribault	0	16655	005090-016 March	Normal			15.76		Held	No		2026	HRA
10713 City of Faribault	0	16656	005090-007 March	Normal			15.76		Held	No		2026	HRA
10713 City of Faribault	0	16657	005090-006 March	Normal			15.76		Held	No		2026	HRA
10713 City of Faribault	0	16658	005090-004 March	Normal			15.76		Held	No		2026	HRA
10713 City of Faribault	0	16659	005090-190 March	Normal			3.35		Held	No		2026	HRA
10713 City of Faribault	0	16660	005090-189 March	Normal			35.50		Held	No		2026	HRA
10713 City of Faribault	0	16661	005090-188 March	Normal			42.65		Held	No		2026	HRA
10713 City of Faribault	0	16662	005090-187 March	Normal			40.31		Held	No		2026	HRA
10713 City of Faribault	0	16663	005090-185 March	Normal			82.90		Held	No		2026	HRA
10973 Xcel Energy	0	16651	973004449	Normal			404.70		Held	No		2026	HRA
11280 MM Minnesota LLC	0	16668	3943443	Normal			1,100.00		Held	No		2026	HRA
							\$ 4,626.94						

BATCH 2426 - paid

Vendor Name	Remit	Document	Invoice	Payment Method	PO	Contract	Invoice Amt	Voucher	Status	Is Released	1099-G	yea	Dept
10250 Flom Disposal Inc	0	16833	4651	EFT			204.59		Held	No		2026	HRA
10250 Flom Disposal Inc	0	16838	4555	EFT			255.06		Held	No		2026	HRA
10278 Arrow Electric LLC	0	16834	3602	EFT			1,394.99		Held	No		2026	HRA
10278 Arrow Electric LLC	0	16835	3603	EFT			1,473.35		Held	No		2026	HRA
10278 Arrow Electric LLC	0	16836	3604	EFT			759.95		Held	No		2026	HRA
10278 Arrow Electric LLC	0	16837	3605	EFT			549.82		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16832	67031	EFT			154.50		Held	No		2026	HRA
10417 Faribo Plumbing & He	0	16840	67021	EFT			154.50		Held	No		2026	HRA
10756 Faribault Interiors	0	16829	47115	Normal			11,500.00		Held	No		2026	HRA
11199 QSC of Northfield In	0	16841	913063	EFT			473.44		Held	No		2026	HRA
11282 Jose Lopez Garcia	0	16831	0001949	Normal			1,844.00		Held	No		2026	HRA
11323 Brian Erickson	0	16830	120	Normal			2,100.00		Held	No		2026	HRA
							\$ 20,864.20						

Vendor #	Vendor	Invoice	Document	Voucher	PO	Description	Type	Invoice Net	Due Date	Printed Date
10713	City of Faribault	005090-179 Mar	16652			904C Spring Rd Water Bill -- VACANT	INV	\$34.78	05/05/2026	4/28/2026
10713	City of Faribault	005090-177 Mar	16653			1532 Western -- Water Bill CLIENT CHARGE	INV	\$161.36	05/05/2026	4/28/2026
10713	City of Faribault	005090-026 March	16654			1526 Western Irrigation	INV	\$81.85	05/05/2026	4/28/2026
10713	City of Faribault	005090-016 March	16655			Irrig 1814 Shumway	INV	\$15.76	05/05/2026	4/28/2026
10713	City of Faribault	005090-007 March	16656			1806 Shumway -- Irrig	INV	\$15.76	05/05/2026	4/28/2026
10713	City of Faribault	005090-006 March	16657			Irrigation-1810 Shumway	INV	\$15.76	05/05/2026	4/28/2026
10713	City of Faribault	005090-004 March	16658			1818 Shumway Ave - Irrig	INV	\$15.76	05/05/2026	4/28/2026
10713	City of Faribault	005090-190 March	16659			1524 Western -- Water Bill -- VACANT	INV	\$3.35	05/05/2026	4/28/2026
10713	City of Faribault	005090-189 March	16660			521 Lincoln -- Water Bill -- VACANT	INV	\$35.50	05/05/2026	4/28/2026
10713	City of Faribault	005090-188 March	16661			725 Willow -- HRA portion of Water Bill	INV	\$42.65	05/05/2026	4/28/2026
10713	City of Faribault	005090-187 March	16662			404 13th St Water Bill -- VACANT	INV	\$40.31	05/05/2026	4/28/2026
10713	City of Faribault	005090-185 March	16663			1518 Western partial water bill paid by HRA	INV	\$82.90	05/05/2026	4/28/2026
10417	Faribo Plumbing & Heating Inc	66915	16664			1530 Western Replace Toilet	EFT	\$591.75	05/09/2026	4/28/2026
10417	Faribo Plumbing & Heating Inc	66916	16665			725 Willow -- Leak	EFT	\$693.50	05/09/2026	4/28/2026
10417	Faribo Plumbing & Heating Inc	66860	16666			Cap off Irrigation Spigot--Western & Shumway Units	EFT	\$945.50	05/13/2026	4/28/2026
10417	Faribo Plumbing & Heating Inc	66947	16667			1528 Western -- Clogged Sink	EFT	\$156.25	05/15/2026	4/28/2026
10417	Faribo Plumbing & Heating Inc	67020	16669			Clogged sink 904D Spring Road	EFT	\$189.50	05/22/2026	4/28/2026
11280	MM Minnesota LLC	3943443	16668			904 C Spring Road - bathtub refinish	INV	\$1,100.00	04/17/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074917	16638			18.26.1.76.001 1534 Western Ave N	INV	\$1,207.72	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074902	16639			18.36.1.25.002 1319 7th St NW	INV	\$120.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074952	16640			18.36.1.00.047	INV	\$240.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074948	16641			18.36.1.76.078 1225 2nd St NW	INV	\$60.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074941	16642			18.36.4.02.003 910 1st St SW	INV	\$636.46	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074971	16643			18.29.2.26.017 1806 Shumway Ave	INV	\$360.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074994	16644			18.30.4.26.006 20 14th St NE	INV	\$415.27	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074993	16645			18.30.3.01.005 408 13th St NW	INV	\$120.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60074992	16646			18.30.3.01.004 404 13th St NW	INV	\$60.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60075032	16647			18.31.3.26.005 523 Division St W	INV	\$60.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60075077	16648			18.01.4.00.006 900 Spring Rd SW Unit A	INV	\$959.61	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60075103	16649			18.01.1.00.014 830 9th Ave Sw	INV	\$60.00	05/15/2026	4/28/2026
10204	Rice County Property Tax & Elections	60075498	16650			18.31.4.52.033 725 Willow St	INV	\$60.00	05/15/2026	4/28/2026
10973	Xcel Energy	973004449	16651			Xcel for Vacant Units	INV	\$404.70	05/07/2026	4/28/2026
								\$8,986.00		



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jessica Kinser, City Administrator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: April 2026 - HRA Operating Fund Financial Report

BACKGROUND:

The HRA Operating Fund (fund 290) is the fund that accounts for the property tax proceeds from the HRA levy and other general operating costs.

Revenue- Other than interest, the HRA will not see most of the revenue it receives until the first and second disbursements of the first half of property tax payments, received by the City in June and July. The final property tax payment will come in December.

Expenditures- The memo identifying what was adopted for the HRA Operating Fund is attached as a reminder of the major spending categories that were approved. The loans and grants line item is the only area where much spending has occurred. The \$110,000 includes \$60,000 to Three Rivers for the Mobile Home Rehab Program and \$50,000 to Community Action Center for emergency housing assistance. The \$50,000 was not budgeted, so should some of the other planned expenditures look like they might occur, we will bring forward a budget amendment in the future.

REQUESTED ACTION:

Approve and place on file.

ATTACHMENTS:

1. April 2026 HRA Operating Fund
2. 2026 HRA Operating Fund Memo

YEAR-TO-DATE BUDGET REPORT

FOR 2026 04

ACCOUNTS FOR:	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
290 Faribault HRA							
HRA Faribault HRA							
HRA 31010 Current Ad Valorem Taxes	-439,868	-439,868	.00	.00	.00	-439,868.00	.0%
HRA 36210 Interest on Invest	-3,686	-3,686	-95.85	.00	.00	-3,590.15	2.6%
HRA 42010 Supplies	450	450	.00	.00	.00	450.00	.0%
HRA 43010 Auditing & Accounting Se	5,775	5,775	.00	.00	.00	5,775.00	.0%
HRA 43040 Legal Fees - Civil Proce	15,000	15,000	975.40	822.80	.00	14,024.60	6.5%
HRA 43090 Expert & Professional Se	150,000	150,000	4,055.60	.00	.00	145,944.40	2.7%
HRA 43095 Software Maintenance & S	12,000	12,000	.00	.00	.00	12,000.00	.0%
HRA 43140 Training & Education	7,000	7,000	760.00	.00	.00	6,240.00	10.9%
HRA 43310 Travel Expense	3,000	3,000	.00	.00	.00	3,000.00	.0%
HRA 43410 Advertising	500	500	.00	.00	.00	500.00	.0%
HRA 43510 Legal Notices Publishing	500	500	.00	.00	.00	500.00	.0%
HRA 43520 Recording Fees	450	450	.00	.00	.00	450.00	.0%
HRA 43610 Insurance & Bonds	6,000	6,000	3,252.00	.00	.00	2,748.00	54.2%
HRA 43820 Water Utilities	0	0	116.63	116.63	.00	-116.63	100.0%
HRA 44330 Dues and Subscriptions	800	800	488.00	164.00	.00	312.00	61.0%
HRA 44390 Taxes & Licenses	250	250	.00	.00	.00	250.00	.0%
HRA 44600 Loans & Grants	235,000	235,000	110,000.00	95,000.00	.00	125,000.00	46.8%
TOTAL Faribault HRA	-6,829	-6,829	119,551.78	96,103.43	.00	-126,380.78	-1750.6%
TOTAL Faribault HRA	-6,829	-6,829	119,551.78	96,103.43	.00	-126,380.78	-1750.6%
TOTAL REVENUES	-443,554	-443,554	-95.85	.00	.00	-443,458.15	
TOTAL EXPENSES	436,725	436,725	119,647.63	96,103.43	.00	317,077.37	



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Thomas Furman - Executive Director
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: November 10, 2025
SUBJECT: Resolution 2025-08 2026 Final Budget

BACKGROUND:

Each year, the Housing & Redevelopment Authority (HRA) adopts an operating budget for the **General HRA Fund**, which is supported primarily by the **annual HRA Tax Levy**. This fund provides the core administrative and programmatic resources necessary to operate the HRA and implement locally directed housing initiatives that are not tied to federal or state funding sources.

Over the past several years, the HRA has focused on stabilizing operations, completing the Robinwood repositioning, and rebuilding internal capacity for program delivery. With those efforts now complete, the **2026 General HRA Budget** reflects a continuation of disciplined financial management while investing directly in community-level programs aligned with HRA goals.

Highlights of the 2026 Proposed General HRA Budget:

- **Total Revenue:** \$439,868 (derived primarily from the 2026 Tax Levy)
- **Total Expenditures:** \$436,725
- **Projected Operating Result:** +\$3,143 (small surplus)

Special Program Allocations (within Expenditures):

- Mobile Home Rehabilitation Program – **\$60,000**
- Tree Removal Assistance Program – **\$60,000**
- (Corridor) Rehabilitation Loans – **\$45,000**
- Hope Center Partnership – **\$10,000**
- Down Payment Assistance Program – **\$60,000**

Core Operating Support Lines:

- Legal Services – **\$15,000**
- Expert & Professional Services – **\$150,000**
- Software Maintenance & Support – **\$12,000**
- Training & Education – **\$7,000**
- Travel – **\$3,000**
- Auditing & Accounting – **\$5,775**
- Insurance & Bonds – **\$6,000**
- Dues & Subscriptions – **\$800**
- Taxes & Licenses – **\$250**
- Recording Fees – **\$450**

Context and Intent:

- **2022–2024:** Focused on compliance, repositioning, and organizational stabilization.
- **2025:** Relaunched community programs, including tree-removal assistance and homeowner support.
- **2026:** Expands those efforts through continued investment in local programs, targeted homeowner aid, and collaboration with community partners such as the Hope Center.

The proposed 2026 General HRA Budget aligns directly with the approved Tax Levy and maintains a balanced financial position while strengthening the HRA’s local impact through practical, community-driven programming.

REQUESTED ACTION:

Approve a resolution adopting the **2026 General HRA 2026 Final Budget** as presented, authorizing the expenditure of funds for administrative operations and the implementation of HRA programs, including Mobile Home Rehabilitation, Tree Removal Assistance, Corridor Rehabilitation Loans, Hope Center Partnership, and Down Payment Assistance.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: May 11, 2026
SUBJECT: Resolution 2026-15 Approve Property Management and Maintenance Agreement and Accounting Services Agreement with Trekk

BACKGROUND:

The HRA terminated its Property Management Agreement with Cornerstone at the end of 2025. Since then, City Staff has managed the HRA’s 49 residential properties (known as the “Scattered Sites”) while seeking a property management firm to take over management of the properties. After contacting multiple property management firms and consulting with agencies and organizations, City Staff recommends that the HRA enter into property management agreements with Faribault Property Management LLC (DBA as Trekk Properties or “Trekk”).

Trekk has a property management office in Faribault and maintenance staff to appropriately manage the Scattered Sites. City Staff reviewed the proposed attached agreements from Trekk and consulted with others to verify that the proposed terms and compensation are reasonable. While the City/HRA Attorney may suggest minor additions or revisions to the agreements, City Staff recommends that the HRA approve the attached resolution authorizing the HRA to execute property management agreements with Trekk. We recommend that Trekk start managing the Scattered Sites on June 1, 2026. Christine Jensen, Trekk’s Director of Residential Management, will attend the HRA’s May 11 meeting to respond to any questions that HRA members may have.

REQUESTED ACTION:

Approve Resolution 2026-15.

ATTACHMENTS:

1. Resolution 2026-15

**HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT,
MINNESOTA**

RESOLUTION #2026-15

**APPROVE THE HIRING OF A MANAGEMENT COMPANY FOR PROPERTIES OWNED OR
CURRENTLY MANAGED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF
FARIBAULT, MINNESOTA**

WHEREAS, Minnesota State Statute 469.018, Subd. 2 allows the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") to employ real estate operators, firms, brokers, or a municipality to perform management and operation services for HRA-owned residential properties; and

WHEREAS, the HRA currently owns and manages 49 residential units (the "Scattered Sites"); and

WHEREAS, the HRA desires to hire a property management company to manage the Scattered Sites; and

WHEREAS, City Staff contacted multiple property management companies and identified Faribault Property Management LLC (D.B.A. Trekk Properties) as the preferred property management company to manage the Scattered Sites; and

WHEREAS, City Staff determined that Trekk Properties' performance as a property management company of other properties and its proposed terms and compensation to manage the Scattered Sites are reasonable; and

WHEREAS, the HRA and Trekk Properties intend to execute a Property Management Agreement and an Accounting Agreement generally based on the terms and compensation outlined in the attached draft Agreements, and to the satisfaction of the City/HRA Attorney; and

WHEREAS, the HRA and Trekk Properties intend to finalize and execute the Agreements and have Trekk Properties start managing the Scattered Sites on June 1, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA, AS FOLLOWS:

1. This Resolution incorporates the above recitals as if fully set forth herein.
2. The HRA Chair, Vice-Chair, City Staff, and City/HRA Attorney are hereby authorized and directed to take any and all additional steps and actions

necessary or convenient to accomplish the intent of this Resolution, including refining the attached draft Agreements included in Exhibits A and B of this Resolution to the satisfaction of the City/HRA Attorney.

3. The HRA Chair, Vice-Chair, and City Staff, in consultation with the City/HRA Attorney, are hereby authorized and directed to execute the final Property Management and Accounting Agreements with no further HRA action.

[The remainder of this page is intentionally left blank.]

ADOPTED: May 11, 2026

ATTEST:

EXHIBIT A
Draft Property Management Agreement



PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (“Agreement”) is entered into as of June 1st, 2026 (“**Effective Date**”) by and between **City of Faribault HRA** and Faribault Property Management LLC (**D.B.A Trekk Properties**) (“**Manager**”), for the provision of property management services relating to City of Faribault HRA (“**Property**”) located at **FULL PROPERTY ADDRESS. (I will list all addresses**

ARTICLE 1 - RECITALS

1.1 Manager is in the business of managing residential real estate, and Owner desires to engage Manager to provide property management services to the Property (defined below) on Owner’s behalf; and

1.2 Manager is willing to provide certain management services upon the following terms and conditions.

NOW, THEREFORE, the inconsideration of the above recitals and the mutual promises and benefits contained herein, the Parties hereby agree as follows:

ARTICLE 2 - APPOINTMENT

2.1 Appointment; Acceptance. Owner hereby appoints Manager, and Manager accepts the appointment, on the terms and conditions provided below, as Owner’s exclusive property management and leasing agent for the Property. Manager shall oversee the operation, marketing, rental, leasing, maintenance, and repair of the Property in a professional manner. As used herein, the term “Property” shall include any individual residential units at the Property, if applicable.

2.2 Cooperation with Asset Manager. In instances where Owner has designated an Asset Manager to act as Owner’s representative, Manager shall cooperate and work collaboratively with the Asset Manager. The Asset Manager shall have the authority to oversee and direct Manager’s activities related to the Property, including but not limited to, financial reporting, strategic planning, and major decision-making processes. Manager shall provide all required updates and reports to the Asset Manager, in lieu of Owner, and shall seek the Asset Manager’s approval for any actions that fall outside the scope of routine property management duties. Manager acknowledges that the Asset Manager is acting on behalf of Owner and shall respect the Asset Manager’s directives and decisions.

507.334.3499 303 1st Ave. NE, Suite 100 Faribault, MN 55021 trekkproperties.com



In the event that the Asset Manager's instructions conflict with those of Owner, Manager shall promptly notify both parties of the conflict and seek clarification. Manager shall not be held liable for any actions taken in accordance with the Asset Manager's directives, provided that Manager has made reasonable efforts to inform Owner of the conflicting instructions and has acted in good faith.

ARTICLE 3 - TERM AND COMPENSATION

3.1 Initial Term of Agreement; Automatic Extensions. The initial term of this Agreement shall be for **twelve (12) months, commencing on June 1st, 2026 and ending on May 31st, 2026**, provided that unless either party provides the other party with at least thirty (30) days' written notice prior to the initial term ending date, and each subsequent term ending date, this Agreement shall renew for an additional term of twelve (12) months.

3.2 Management Fee. Owner shall pay Manager a management fee ("Management Fee") per unit comprised of the following items. Owner shall pay Manager the Management Fee on the 15th day of the month.

- 3.2.1 \$120 per unit per month
- 3.2.2 \$250 for any new or \$100 renewal lease
- 3.2.3 \$5.00 per unit per month for financial/leasing software

Monthly gross receipts are all amounts received from the operation of the Property including, but not limited to, rents, parking fees, laundry income, and fees. Manager shall receive 100% of all administrative fees and 50% of all break lease fees. Gross receipts exclude proceeds unrelated to operations such as proceeds from capital transactions, tax refunds, and TIF proceeds.

3.3 Onboarding Fee. Owner shall pay Manager the following one-time onboarding fee ("Onboarding Fee") per property. Owner shall pay Manager the Onboarding Fee within the first month of services being rendered.

- 3.3.1 \$500.00 Onboarding Fee

ARTICLE 4 - MANAGER'S AUTHORITY AND OBLIGATIONS

Owner expressly authorizes and empowers Manager to do all lawful things necessary for the fulfillment of this Agreement including, but not limited to, the following:

4.1 Marketing. Manager shall use reasonable efforts to market, advertise, and show the Property and any vacant units therein by reasonable means in Manager's sole discretion,

507.334.3499 | 303 1st Ave. NE, Suite 100, Faribault, MN 55021 | trekkproperties.com



including listing through Manager's financial/leasing software free third party partner listing sites and paid partner Zillow site (properties less than 20 units) , Manager's website, and the placement of "For Lease" signs or other signs on the Property, in accordance with applicable laws, regulations, ordinances, restrictions, and Owner's association rules, if any. Any and all additional marketing will be at the cost of Owner.

4.2 Screening Tenant Applicants. Manager shall hire, engage, or utilize third- party tenant screening and credit reporting services, in Manager's sole discretion, and shall otherwise check references of prospective tenants and to approve new tenants based on criteria permitted by fair housing laws and other applicable laws and ordinances. Manager is authorized to allow for lease guarantees when Manager deems appropriate.

4.3 Rent Rates. Manager shall set initial rent rates, subsequent rent rates, security deposits, and rent concessions, discounts, or other incentives, deemed appropriate by Manager and current market, unless expressly instructed otherwise in writing by Owner. Manager shall not be responsible for the Property, becoming or remaining vacant during the term of this Agreement.

4.4 Execute Lease Documents. Manager shall negotiate, prepare, and sign leases and other lease-related documents for the Property on Owner's behalf, including renewals or extensions of leases, using application forms and lease documents of Manager's choosing. Manager shall not, without Owner's prior written consent, sign any lease that has a term greater than 12 months. Manager shall conduct and document a move-in inspection with new tenants.

4.5 Rent Collections. Manager shall collect all rents and other amounts from tenants as they become due, in such manner as deemed appropriate by Manager in Manager's sole discretion, including payment by check, certified funds, or through an online tenant portal, provided Manager shall not accept cash payments. Manager does not guarantee the collection of rents or other amounts owing from tenants.

4.6 Disbursement to Owner. Owner shall deposit all funds collected into one or more accounts, including trust accounts, at a duly qualified national or Minnesota banking institution, separate from Manager's own accounts, as approved by Owner. Manager shall disburse funds received by Manager for a particular month to Owner, less any sums deducted pursuant to this Agreement or otherwise, by electronic deposit into Owners' account or as instructed by Owner on or before the 28th day of the following month. The amount determined to be disbursed will be approved by Owner. Owner shall determine, in its sole judgment, to what extent (if any) the Property's cash on hand exceeds its current and anticipated needs, including, without limitation, reserves for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. Except as otherwise provided in this Agreement, Owner shall cause the Property to make any such distributions as laid out in the ownership agreement, where one is existent. In the



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



absence of an ownership agreement, Owner shall provide Manager with written instructions on how the funds are to be disbursed.

4.7 Security Deposits. Manager shall collect, deposit, and maintain tenants' security deposits in one or more accounts, including trust accounts, at a duly qualified national or Minnesota banking institution, separate from Manager's own accounts, as approved by Owner, issue returns of security deposits, with accrued interest, as deemed appropriate by Manager, and provide notices of security deposit dispositions to tenants along with refunds of security deposits and accrued interest or notifications of amounts due from tenants.

4.8 Rental License. If requested by Owner in writing, and subject to additional compensation to be agreed upon in writing by the parties, Manager shall assist Owner with obtaining and continuously maintaining any required rental licenses for the Property, if required by the municipality in which the Property is located, and to arrange for any inspections required with respect to such rental license.

4.9 Monitoring Lease Compliance. Manager shall monitor lease compliance by tenants and shall issue warnings, terminate or non-renew leases, negotiate lease terminations, and sign and deliver such warnings and notices of termination or nonrenewal as Manager deems necessary or appropriate.

4.10 Tenant Notices. Manager shall prepare and deliver to tenants, on Owner's behalf, such notices, warnings, and demands on tenants, as Manager deems appropriate, for lease enforcement, including without limitation the collection of rent and other amounts owing from tenants, notices regarding lease renewals and lease terminations, and notices to vacate.

4.11 Keys and Access Devices. Manager shall duplicate keys and access devices at Owner's expense to facilitate convenient and efficient showings of the Property and to lease the Property, and to provide access to the Property for law enforcement personnel, including placing a key box or other lockbox on the Property.

4.12 Utilities and Services. Manager shall arrange for, or make contracts for on behalf of Owner, the purchase or furnishing of necessary supplies, utilities, electricity, gas, fuel, water, telephone, window cleaning, garbage and recycling collection, pest control, lawn maintenance, snow and ice removal, and any other services deemed necessary or appropriate by Manager for the Property's operation, provided any such service contract shall not exceed 12 months and the amount payable each month shall not exceed \$1,000 without written approval of Owner. Manager shall obtain a certificate of insurance for any vendor contracted.



4.13 Repairs and Maintenance. Manager shall cause to be made, supervise, manage, and terminate (if deemed appropriate by Manager) necessary repairs and alterations of the interior, exterior, and landscaping of the Property, including emergency repairs, by third-party vendors, contractors and personnel selected by Manager on behalf of Owner, provided that such expenditures in excess of \$1,000.00 shall be subject to Owner's prior written consent except (i) in case of emergency, as determined by Manager; (ii) if Manager in good faith determines that such expenditures are necessary to protect the Property from pending damage or to prevent injury to persons or loss of life; or (iii) to comply with state or local codes or orders from any court or governmental authority, in which case Owner's prior written consent shall not be required. A project management fee of 20% will be applied to any repair or maintenance in excess of \$5,000.

4.14 Claims. Manager shall promptly investigate and make a report to Owner as to all accidents or claims for damage relating to the ownership, operation, and maintenance of the Property, including any damage or destruction of the Property. Owner authorizes Manager to submit minor property insurance claims to the Property's insurance company, to communicate with Owner's insurance company regarding such claims, and to coordinate and schedule property inspections incidental to such claims by insurance claims adjusters, claim representatives, and repair contractors. "Minor property insurance claims" are defined as claims involving property damage with an estimated repair cost of \$5,000.00 or less. For claims over \$5,000, when requested by Owner, Manager will undertake administrative oversight of such insurance claims for an additional fee in the amount of 20% of the total insurance claim. The fee is considered due and payable at the inception of the project and final disbursement is due and payable upon completion of project. Manager is not required to solicit competitive bids for repair, restoration or reconstruction related to losses covered by Owner's insurance so long as such work is completed for the amount of the insurance proceeds together with the claim deductible paid for such loss.

4.15 Compliance with Government Notices and Orders. Manager shall cooperate with inspection notices from governmental agencies and authorities and shall take such actions as may be deemed necessary or appropriate by Manager to comply promptly with governmental notices, orders, or requirements affecting the Property placed or assessed thereon by any federal, state, county, or municipal authority having jurisdiction over the Property, provided Manager shall promptly notify Owner of all such orders, notices, and requirements. Manager shall provide Certificate of Rent Paid to current and previous tenants managed during agreement.

4.16 Engagement of Legal Counsel. Manager shall engage legal counsel of Manager's choosing, on behalf of Owner, to provide legal services for the preparation, interpretation, and enforcement of tenant leases, and to represent Owner and Manager in legal actions, including eviction actions, tenant remedy actions, and collection actions.



4.17 Initiating Legal Actions. Manager shall, on behalf of Owner, initiate, settle, or compromise any legal action or process, using legal counsel of Manager's sole choice, against a tenant or a tenant's property as Manager deems necessary or appropriate to enforce the terms of the tenant's lease, including bringing evictions for nonpayment of rent or other amounts owing from the tenant, and bringing evictions for lease violations, to recover possession of the Property leased by the tenant. The parties understand that Manager does not guarantee the result of any such legal action or process, and Manager shall consult with Owner prior to the settlement of such legal action.

4.18 Defending Tenant Actions. Manager shall, on behalf of Owner and Manager, respond to, answer, defend, settle, or compromise, any "tenant remedy" or other legal action or process initiated by or on behalf of a tenant against Manager or Owner, such as a "rent escrow" action or "lock-out petition," using legal counsel of Manager's sole choice, provided any amount to be paid to a tenant for any settlement agreed to by Manager on behalf of Owner shall not exceed \$1,000.00 without the prior written consent of Owner. Any legal action or process initiated exceeding \$1,000 will incur an administration fee of 10% of all legal fees. Owner shall pay manager 10% of legal fees. The parties understand that Manager does not guarantee the result of any such legal action or process, and Owner shall be solely responsible for, and shall pay on a timely basis, any court-ordered rebate of rent.

4.19 Accounting to Owner. Manager shall maintain accurate records of all rent and other amounts received from tenants and expenses paid and amounts disbursed with respect to the management of the Property, and Manager shall make such records available for inspection by Owner during regular business hours and upon reasonable notice. Manager shall furnish Owner, by the last day of the month following each quarter's end, an owner's statement showing cash balances and financial transactions, and Manager shall provide Owner with unaudited financial statements, including balance sheet and profit loss statements, upon Owner's request in writing. Reporting and/or attendance of board meetings beyond monthly leasing and quarterly financial analysis will be billed at \$250 per report or \$100 per hour, upon Owner's request in writing. 1099 and 1096 tax forms may be processed upon request for an additional fee.

4.20 Payment of Operating Expenses. Manager will disburse funds for expenses related to the day-to-day operation of the Property and any other disbursements required in the fulfillment of property management obligations. If requested by Owner in writing, Manager shall make payments for mortgages, property taxes, payroll taxes, insurance premiums, and such other operating expenses designated in writing by Owner. These payments shall be made from the gross receipts to the extent such amounts are available. Postage will be charged to Owner at current USPS rates.



4.21 Budget Assistance. Manager shall assist Owner in developing a budget for the Property by providing necessary financial data, historical performance metrics, and other available relevant information as requested by Owner. Manager's role is to support Owner by supplying accurate and timely data, but Manager shall not be responsible for creating or finalizing the budget. Owner acknowledges that the ultimate responsibility for developing and approving the budget rests with Owner. Manager shall not be held liable for any discrepancies or issues arising from the budget, provided that Manager has supplied the requested information in good faith and with reasonable accuracy.

Manager shall not be responsible for any expenses that exceed the budget, except for those expenses explicitly covered under the terms of this Agreement. Any additional expenses incurred beyond the scope of the management agreement shall be the responsibility of Owner.

4.22 Site Visits. Manager shall make periodic site visits to the Property to monitor the operation of the Property and determine the need for periodic routine maintenance. Such site visits shall consist of visual inspections of readily ascertainable conditions only and will not include any intrusive or forensic investigation and/or testing. Site visits shall be conducted on various days and at times as deemed necessary for the proper maintenance of the Property. Annually one visual inspection of the Property will be conducted including areas inside and outside of the Property. A digital report of the inspection will be provided to Owner. Any additional Owner requested inspection will be charged to Owner at \$150 per hour.

4.23 Onsite Management Travel. All travel associated with leasing activities, city or county inspections and follow-up visits associated with these inspections, vendor related travel including the Trekk Maintenance team, and one onsite Manager's visit per month, is included in this agreement. Any travel outside of this scope, beyond a 15-mile radius of a Trekk Corporate Office (Faribault, MN and Northfield, MN) will be charged at federal mileage rates plus a \$25 flat fee. If overnight accommodation is required, Owner will be responsible for payment.

4.24 After Hour Emergency Service. Manager shall establish and maintain a twenty-four (24) hour, seven (7) days a week, emergency system for communications with tenants. Emergencies include, but are not limited to, no heat, hot water or air-conditioning, electrical failure, suspected gas leaks, fire, broken water pipe or major leak, sewer back-up, property damage (i.e., storm damage, vandalism, etc.) or personal injury. Tenants calling the emergency on-call service will be required to provide the Property name, Property address, their name, and a telephone number at which they can be reached. After-hour responses to non-emergencies will be billed in accordance with the compensation schedule of this Agreement.

ARTICLE 5 - OWNER'S OBLIGATIONS



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



Throughout the term of this Agreement, Owner shall have the following obligations:

5.1 Cooperation with Manager. Owner shall cooperate with Manager regarding providing information, documents, and signatures requested by Manager with respect to any rental license application or renewal required for the Property, and Owner shall cooperate with Manager in carrying out the purposes of this Agreement, and to facilitate the showing, marketing, and leasing of the Property. Owner agrees that all communications with any prospective or current tenants shall be handled exclusively by Manager. Owner shall refrain from initiating or responding to any direct contact with any tenant prospect or current tenant, whether or not the tenant was a tenant first identified by Manager. If any tenant attempts to contact Owner, Owner shall refrain from any communications other than to direct tenant to deal exclusively with Manager as the exclusive managing agent of Owner.

5.2 Provision of Financing Information. Owner shall provide the Manager with accurate and complete financial and accounting records necessary for the effective management of the Property. This includes, but is not limited to, financial statements, loan documentation, amortization and depreciation schedules, and any other records reflecting the financial obligations, performance, or status of the Property. All documentation must be current and submitted in a format acceptable to the Manager.

5.3 Equity Investors and Beneficial Ownership Information Reporting. Equity Investors and Beneficial Ownership Information Reporting. The Owner shall provide the Accounting Agent with complete and accurate information regarding all equity investors associated with the Property for the purpose of maintaining financial records and facilitating owner distributions. This includes, but is not limited to:

5.3.1 Owners

- 5.3.1.1 Name of each owner
- 5.3.1.2 Contact information (address, phone number, email)
- 5.3.1.3 Tax identification number
- 5.3.1.4 W-9 form
- 5.3.1.5 Banking information (bank name, account number, routing number)

5.3.2 Beneficial Ownership Information Report. Owner shall comply with the Beneficial Ownership Information (BOI) reporting requirement as mandated by the Corporate Transparency Act. Owner shall:

- 5.3.2.1 Arrange for the completion of the BOI report.



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



- 5.3.2.2 Ensure that the BOI report is submitted to the Financial Crimes Enforcement Network (FinCEN) as required

The above information shall be provided in a digital format (e.g., PDF, Excel) and delivered to the Manager within 10 business days prior to the commencement of this Agreement.

5.4 Delivery of Property and Lease Documents. Owner shall provide and deliver all keys, access devices, entry codes, leases, and tenant files to Manager, and all documentation and records required by Manager to manage and operate the Property, including providing all known facts that materially affect the value of the Property not already identified in this Agreement.

5.5 Owner Communication. When Owner consists of an ownership group, the ownership group shall designate one point of contact in writing and provide this information to Manager. Manager's communication with other members of the ownership group shall be limited to inquiries regarding their contact information and receipts of distributions.

5.6 Bank Account. Owner shall maintain one or more accounts, which may be trust accounts, at a duly qualified national or local banking institution, for the sole use of the Property. Owner shall provide Manager with access to the account(s) to allow for all necessary bookkeeping functions.

5.7 Establishment and Maintenance of Operating Reserve. Upon the execution of this Agreement, Owner shall deposit as an initial operating reserve ("Operating Reserve") for the operating expenses for the Property, which Operating Reserve shall be the sole source from which Manager shall pay all expenses incurred in the performance of this Agreement, it being the understanding of the parties that Manager shall not use its own funds to pay expenses incurred in the performance of this Agreement. Owner shall add funds to the Operating Reserve upon written notice by Manager of the need for additional funds, provided that in the event of Owner's failure to pay such additional funds within ten (10) days of a written request by Manager, Manager may terminate this Agreement immediately upon written notice to Owner with no further obligation to Owner.

5.8 Reimbursement and Payment of Expenses. Owner shall promptly reimburse Manager for any documented expenses for the Property, including any license fees, inspection fees, and expenses incurred for maintaining and repairing the Property. Owner shall promptly pay for any attorneys' fees incurred by Manager in the performance of Manager's duties herein, including attorneys' fees incurred in connection with any housing court matter, and attorneys' fees incurred by Manager in obtaining legal advice regarding compliance with any law affecting the Property, regarding the interpretation, and regarding the enforcement of any lease for the Property.



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



5.9 Payment of Taxes and Mortgage Payments. Owner shall pay all taxes and mortgage payments on the Property on a timely basis to the extent Owner does not request in writing that Manager do so.

5.10 Maintenance of Insurance. Throughout the term of this Agreement, Owner shall obtain and continuously maintain property, casualty, and public liability insurance policies, for the Property, adequate to protect the interests of Owner and Manager, in an amount of at least \$1,000,000 combined, single limit for bodily injury and property damage, and shall name Manager as an additional insured. All policies used to provide the coverage required by this Agreement shall require the insurer to provide at least ten (10) days' notice to Manager prior to cancellation or non-renewal. Upon the execution of this Agreement, and upon subsequent request by Manager, Owner shall provide Manager with a certificate of insurance showing Manager as an additional insured and confirming that Manager will be provided with at least ten (10) days' notice prior to cancellation or non-renewal.

5.11 Cost Segregation Study. Owner is responsible for arranging, conducting, and paying for a cost segregation study if they choose to complete one. The process is as follows:

- 5.11.1 **Arrangement and Payment:** Owner shall arrange and pay for the cost segregation study.
- 5.11.2 **Submission to Tax Accountant or CPA:** The cost segregation study shall be sent to the tax accountant or CPA of Owner's choosing.
- 5.11.3 **Determination of Amortization and Depreciation Schedules:** The tax accountant or CPA will determine the amortization and depreciation schedules based on the study.
- 5.11.4 **Communication of Expenses:** The tax accountant or CPA must communicate any applicable amortization or depreciation expenses that need to be taken in the current year to Manager.

5.12 Selection of Tax Accountant and End-of-Year Financials. Owner is responsible for selecting a tax accountant for the Property. Owner shall provide Manager with the contact information for the selected tax accountant. Additionally, Owner must stipulate if there is an individual or entity designated as the "Owner Representative" who should receive the end-of-year financials prior to their submission to the tax accountant. The process is as follows:

- 5.12.1 **Selection of Tax Accountant:** Owner shall select a tax accountant and provide Manager with the contact information (name, address, phone number, email) of the tax accountant.



- 5.12.2 **Owner Representative:** If applicable, Owner shall designate an Owner Representative to review the end-of-year financials before they are sent to the tax accountant. Owner must provide the contact information for Owner Representative to Manager.
- 5.12.3 **Review and Adjustments:** Owner Representative will review the end-of-year financials and provide any necessary adjustments to Manager.
- 5.12.4 **Submission Timeline:** Manager will aim to provide the end-of-year financials to Owner Representative by February of the year following the tax year. After the review and adjustments, the financials will be sent to the tax accountant.
- 5.12.5 **Tax Accountant Responsibilities:** The tax accountant is responsible for providing Manager any additional end-of-year financial adjustments, depreciation and amortization schedules for the next calendar year, filing the tax return, and providing any K-1s to Owner.
- 5.12.6 **Owner Responsibilities:** It is Owner's responsibility to disseminate the K-1s to all Owners in the ownership group.

5.13 Compliance and Rentable Condition. Owner shall take such actions as deemed necessary or appropriate by Manager to comply promptly with any notices, orders, or requirements affecting the Property to ensure compliance with any federal, state, county, or municipal authority having jurisdiction over the Property and to maintain the rentable condition of the Property.

5.14 Sale of Property. Owner shall inform Manager before Owner enters into any agreement to list or sell the Property or to convey any interest in the Property.

5.15 Timely Payment of Management Fees. Owner shall pay Manager the "Management Fees" described in Article 3. Failure to pay by the specified date will result in a late payment fee of 8% of the outstanding balance, applied on the last day of each month.

5.16 Exclusive Relationship. Throughout the term of this Agreement, Owner shall not authorize any person, firm, or entity other than Manager to act as a leasing or rental agent or manager for the Property nor shall Owner list the Property for rent other than with Manager.

5.17 Purchase by Tenant. If any tenant purchases the Property during the term of this Agreement, or for a period of 180 days after the end of this Agreement, upon the closing of such transaction, Owner shall pay Manager 6% of the agreed upon purchase price if Manager is a licensed broker.



ARTICLE 6 - EARLY TERMINATION

6.1 Early Termination. Unless otherwise provided in this Agreement, in the event of a default by either party hereunder, either party may terminate this Agreement by providing written notice to the other party, stating the default of the other party, and if the other party fails to cure such default within seven (7) days, this Agreement shall terminate.

6.2 Owner Responsible for Payments after Termination. After the termination of this Agreement for any reason, Owner shall assume the obligations of any contract or outstanding bill incurred by Manager on behalf of Owner under this Agreement. Manager may withhold funds for thirty (30) days after the end of the month in which the Agreement is terminated to pay bills that were previously incurred but not yet invoiced and to close accounts. Manager shall deliver to Owner, within thirty (30) days after the end of the month in which the Agreement is terminated, any balance of monies due to Owner, including tenant security deposits, that were held by Manager with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination.

ARTICLE 7 - INDEMNIFICATION

7.1 Liability and Indemnification. Owner shall not hold Manager liable for any error of judgment or for any action taken or omission by Manager except in the event of willful misconduct or gross negligence by Manager. Owner shall indemnify and hold Manager harmless from, and defend Manager against, any and all claims, charges, debts, demands, damages, agency enforcement actions, attorneys' fees, and lawsuits, of whatever nature, associated with or arising out of the performance of Manager's duties herein or for any liability for personal injury or property damage occurring on or about the Property. Owner acknowledges that the ownership and operation of rental property is a regulated business. Manager does not assume responsibility for compliance with the requirements of any federal, state, or local statute, ordinance, law, or any kind relating to the licensing of rental property, building codes, or other local codes relating to real property except to give notice to Owner of any complaints, warnings, notices, or summons received by Manager relating to such matters.

ARTICLE 8 - OWNER REPRESENTATIONS

Owner hereby makes the following representations and warranties upon which Manager shall rely:

8.1 Title to Property. Owner has fee simple title to and peaceable possession of the Property and the legal capacity to lease the Property.



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



8.2 No Other Agreements; Zoning. There are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to Manager, and the Property is zoned for intended use.

8.3 Rental License. Unless otherwise disclosed to Manager in writing, Owner has secured and is maintaining all current permits, including any rental license, necessary for the Property's operation.

8.4 Condition of Property. The Property, and its construction and operation, does not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including but not limited to, those pertaining to hazardous or toxic substances) and does not contain any asbestos, radon, or other toxic or hazardous substance, and that no unsafe condition exists, and that Owner is unaware of any condition concerning the Property that materially affects the health or safety of an ordinary tenant.

8.5 No Foreclosure. Owner represents and warrants that the Property is not currently in foreclosure, or subject to any similar proceeding, and no reasonable basis exists to believe that the Property will be subject to foreclosure or similar action within the foreseeable future.

ARTICLE 9 - NOTICES

9.1 Notices. Any notice provided by one party to the other shall be in writing and served either personally or sent by United States mail, certified, postage prepaid, or by pre-paid nationally recognized overnight courier service, or by email, addressed at the addresses set forth below or at such address as either party may advise the other from time to time, with a copy of any notice to the following electronic addresses:

If to Owner:

City of Faribault HRA
208 1st AVE NW
Faribault, MN 55021

If to Manager:

Trekk Properties
303 1st Ave NE Suite 110
Faribault, MN 55021

ARTICLE 10 - RELATIONSHIP

10.1 Each of the parties, in performing their respective services and obligations set forth herein, shall act and perform as independent contractors with respect to the other, and nothing in this Agreement shall constitute a partnership, joint venture, franchise, or any other arrangement between the parties hereto other than as a mere vendor/vendee relationship.

507.334.3499

303 1st Ave. NE, Suite 100
Faribault, MN 55021

trekkproperties.com



ARTICLE 11 - AMENDMENTS AND WAIVERS

11.1 Amendment. This Agreement cannot be amended, altered, enlarged, supplemented, abridged, or modified, nor may any provision hereof be waived, except by a writing duly signed by all parties.

11.2 Entire Agreement; Waiver. This Agreement constitutes the entire agreement of the parties as to the matters set forth herein, superseding all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof.

11.3 Amendment of Agreement; Waiver. This Agreement cannot be amended, altered, enlarged, supplemented, abridged, or modified, nor may any provision hereof be waived, except by a writing duly signed by all parties. The failure or delay by either party hereto to enforce or exercise at any time any of the rights or remedies or other provisions of this Agreement shall not be construed to be a waiver thereof, nor affect the validity of any part of this Agreement or the right of either party thereafter to enforce any such right or remedy or other provisions. No waiver by either party of any breach of this Agreement by the other party shall be held to be a waiver of any other breach by such other party.

ARTICLE 12 - ATTORNEY FEES

12.1 Attorneys' Fees. In the event of any legal action with respect to this Agreement taken by one party against the other party hereunder, the prevailing party shall be entitled to its reasonable attorneys' fees and court costs incurred in such action.

ARTICLE 13 - ASSIGNMENT, SUCCESSORS, AND SEVERABILITY

13.1 Assignment of Agreement. Owner may assign this Agreement in connection with a sale of the Property. Manager may not, without the written consent of Owner, assign, subcontract, or delegate its obligations under this Agreement.

13.2 Successors. This Agreement shall be binding upon the heirs, executors, administrators, successors-in-interest, and permitted assigns of the parties hereto.

13.3 Severability. The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.

13.4 Minnesota Law to Govern. This Agreement shall be construed and enforced in accordance with the laws of Minnesota. The parties hereby consent to the personal authority



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



solely of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement.

13.5 Time of Essence. Time is of the essence to the parties executing this Agreement.

13.6 Captions. Paragraph captions used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

13.7 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Property Management Agreement the date and year first above written.

Owner:

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____

Trekk Properties – Manager

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____



**APPENDIX A – ADVERTISING PLUS
TO MANAGEMENT AGREEMENT**

Service	Cost
Website Build and Management	See below
Onboarding and Management of Additional Marketing Platforms	\$300 one-time fee
Event Promotion	Event cost plus travel, accommodation, and hourly rate
Marketing Materials Beyond Agreement	Cost dependent on material requested

NOTE: Pricing identified herein is subject to change annually upon written notice to Owner.

Custom Website and Domain

Website and domain owned by Owner and managed by Manager.

- Build – one-time cost, typically \$5,000 – \$8,000
- Domain Registration and Management – annual fee
- Hosting - \$250 - \$300 per year
- Edits - \$150 per hour
- Renderings – cost dependent on rendering requested

If/When management agreement ceases, owner can take over management of the domain and website.

Integrated Website and Domain with Property Management Software

Website and domain owned and managed by Property Management Software Company.

- Build – one-time cost, typically \$1,600 - \$2,000.
- Hosting - \$139/month hosting fee (\$1,668/year)
- Edits - \$0 with unlimited edits
- Renderings – cost dependent on rendering requested

If/When management agreement ceases, owner cannot take over management of the domain or website.

 507.334.3499	 303 1st Ave. NE, Suite 100 Faribault, MN 55021	 trekkproperties.com
--------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

EXHIBIT B

Property Accounting Services Agreement



PROPERTY ACCOUNTING SERVICES AGREEMENT

This Property Accounting Services Agreement ("Agreement") is entered into as of **June 1st, 2026** ("Effective Date") by and between **City of Faribault HRA** and **Faribault Property Management LLC (D.B.A Trekk Properties)** ("Accounting Services Provider"), for the provision of property accounting services relating to the City of Faribault HRA ("Property") located at **FULL PROPERTY ADDRESS**. I will list all addresses.

ARTICLE 1 - RECITALS

- 1.1 The Accounting Services Provider is in the business of providing property accounting services in real estate, and the Owner desires to engage the Accounting Services Provider to provide accounting services to the Property (defined below) on the Owner's behalf; and
- 1.2 The Accounting Services Provider is willing to provide certain property accounting services upon the following terms and conditions.

NOW, THEREFORE, the inconsideration of the above recitals and the mutual promises and benefits contained herein, the Parties hereby agree as follows:

ARTICLE 2 - DEFINITIONS

- 2.1 **Owner.** The individual or entity that owns the Property and is a party to this Agreement. The Owner may designate themselves or another party to act as the Property Manager.
- 2.2 **Property.** The real estate asset identified in this Agreement for which accounting services are being provided.
- 2.3 **Property Manager.** The individual or entity designated by the Owner in writing to oversee the day-to-day operations of the Property, including but not limited to providing financial and operational information to the Accounting Services Provider. The Owner may designate themselves as the Property Manager.
- 2.4 **Accounting Services Provider.** The entity engaged by the Owner to provide property accounting services as described in this Agreement.

ARTICLE 3 - APPOINTMENT





3.1 Appointment; Acceptance. The Owner hereby appoints the Accounting Services Provider, and the Accounting Services Provider hereby accepts such appointment, to provide property accounting services for the Property in accordance with the terms and conditions of this Agreement. The Accounting Services Provider, through its employees and independent contractors, shall provide comprehensive property accounting services, including maintaining accurate financial records, processing income and expenses, preparing periodic financial reports, reconciling bank accounts, and performing other accounting functions as outlined in this Agreement. The Accounting Services Provider shall perform these services in a professional and diligent manner, consistent with industry standards and applicable laws.

3.2 Accounting Services Provider. Responsibilities relating to the financial recordkeeping and reporting for the Property are the responsibility of The Accounting Services Provider. Property accounting services include maintaining general ledgers, processing income and expense transactions, reconciling bank accounts, preparing periodic financial statements, tracking accounts payable and receivable, and supporting the Owner's tax preparation and financial compliance efforts. The Owner shall designate, in writing, a Property Manager – who may be the Owner themselves – and instruct them to cooperate and work collaboratively with the Accounting Services Provider. The Property Manager shall be required to provide all financial and operational information reasonably requested by the Accounting Services Provider in order to fulfill its obligations under this Agreement. The Accounting Services Provider may provide financial guidance or reporting to support the Owner's strategic planning but shall not be responsible for or have authority over the operational management of the Property.

ARTICLE 4 - TERM AND COMPENSATION

4.1 Initial Term of Agreement; Automatic Extensions. The initial term of this Agreement shall be for **twelve (12) months, commencing on June 1st, 2026 and ending on May 31st 2027**, provided that unless either party provides the other party with at least thirty (30) days' written notice prior to the initial term ending date, and each subsequent term ending date, this Agreement shall renew for an additional term of twelve (12) months.

4.2 Service Fee. The Owner shall pay the Accounting Services Provider a service fee ("Service Fee") per unit comprised of the following items. The Owner shall pay the Accounting Services Provider the Service Fee on the 15th day of each month.

4.2.1 Check processing fees



4.3 Onboarding Fee. The Owner shall pay the Accounting Services Provider the following one-time onboarding fee ("Onboarding Fee") per Property. The owner shall pay the Accounting Services Provider the Onboarding Fee within the first month of services being rendered.

4.3.1 Included in Management Fee Onboarding Fee

ARTICLE 5 - ACCOUNTING SERVICES PROVIDER'S AUTHORITY AND OBLIGATIONS

Owner expressly authorizes and empowers the Accounting Services Provider to do all lawful things necessary for the fulfillment of this Agreement including, but not limited to, the following:

5.1 Accounting Method. The Accounting Services Provider utilizes the cash basis method of accounting. If the Owner requires financial reporting on an accrual basis, such services shall be considered outside the scope of this Agreement and may be subject to an additional fee.

5.2 Bookkeeping and Transaction Management. The Accounting Services Provider shall be responsible for recording all financial transactions related to the Property in a timely and accurate manner. This includes posting journal entries for income, expenses, and adjustments; categorizing transactions in accordance with the chart of accounts; and maintaining supporting documentation for all entries.

5.3 Chart of Accounts Setup and Use. The Accounting Services Provider shall utilize its internally established chart of accounts for all financial reporting and bookkeeping related to the Property. The Owner agrees that the Property's financial records will be maintained using this standardized chart of accounts. Any modifications to the chart of accounts shall be made solely at the discretion of the Accounting Services Provider and communicated to the Owner if such changes materially affect reporting or categorization.

5.4 Bank Reconciliations. The Accounting Services Provider shall perform monthly bank reconciliations for all Property-related accounts. Any discrepancies shall be investigated and resolved in coordination with the Owner or Property Manager.

5.5 Receipt and Invoice Management. The Accounting Services Provider shall collect, organize, and retain all receipts, invoices, and supporting documentation related to Property transactions. These records shall be stored in a secure digital format and made available to the Owner upon request.

5.6 Rent Collections. The Accounting Services Provider shall record all rent and other tenant payments received through acceptable payment methods, including check, certified funds, or the



online tenant portal. The Accounting Services Provider shall not accept cash payments under any circumstances. The Accounting Services Provider will send late notices to tenants who have not made payment by the due date. The Accounting Services Provider is not responsible for enforcing rent collection or pursuing delinquent accounts; such responsibilities remain with the Property Manager. All recorded payments shall be accurately reflected in the financial records and reports provided to the Owner.

5.7 Collections. If a tenant fails to pay a balance, the Accounting Services Provider may, upon request, initiate the process of sending the tenant to collections. This service is outside the scope of this Agreement and may be subject to an additional fee.

5.8 Security Deposits. The Accounting Services Provider shall maintain accurate records of all tenant security deposits received, including the amount, date of receipt, and method of payment. Acceptable payment methods include check, certified funds, or the online tenant portal. The Accounting Services Provider shall not accept cash payments. While the Property Manager is responsible for collecting security deposits, the Accounting Services Provider shall ensure that all deposits are properly recorded and that returns are processed in accordance with applicable laws and Owner instructions.

5.9 Payment of Operating Expenses. The Accounting Services Provider will disburse funds for expenses related to the day-to-day operation of the Property and any other disbursements required in the fulfillment of asset management obligations. If requested by the Owner in writing, the Accounting Services Provider shall make payments for mortgages, property taxes, payroll taxes, insurance premiums, and such other operating expenses designated in writing by the Owner. These payments shall be made from the gross receipts to the extent such amounts are available. Postage will be charged to Owner at current USPS rates. The Accounting Services Provider shall have up to thirty (30) days from the date of receipt of a valid invoice to process and make payment.

5.10 Financial Records and Reporting. The Accounting Services Provider shall maintain accurate records of all income and expenses related to the Property, with records as furnished by the Property Manager and the Owner. The Accounting Services Provider shall make such records available for inspection by the Owner during regular business hours and upon reasonable notice. The Accounting Services Provider shall furnish the Owner, by the last day of the month following each quarter's end, an owner's statement showing cash balances and financial transactions. The Accounting Services Provider shall also provide the Owner with unaudited financial statements, including balance sheets and profit and loss statements.

Reporting and/or attendance of Owner meetings beyond quarterly updates will be billed at \$250



per report or \$100 per hour, upon the Owner's request in writing. 1099 and 1096 tax forms may be processed upon request for an additional fee.

5.11 Disbursement to Owner. The Accounting Services Provider shall disburse funds, less any sums deducted pursuant to this Agreement or otherwise, by electronic deposit or check into the Owner's account or as instructed by the Owner on or before the 28th day of the month following request for disbursement. The amount determined to be disbursed will be approved by the Owner. The Owner shall determine, in its sole judgment, to what extent (if any) the Property's cash on hand exceeds its current and anticipated needs, including, without limitation, reserves for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. Except as otherwise provided in this Agreement, the Owner shall cause the Property to make any such distributions as laid out in the ownership agreement, where one is existent. In the absence of an ownership agreement, the Owner shall provide the Accounting Services Provider with written instructions on how the funds are to be disbursed.

The Accounting Services Provider is responsible for maintaining accurate records of Owner(s) contact information and distributions made under this agreement. These records will be provided to the Owner upon request and to the tax accountant at the end of the year.

5.12 Confidentiality of Documents. The Accounting Services Provider acknowledges that all documentation and records provided by the Owner are confidential and proprietary. The Accounting Services Provider agrees to:

- 5.12.1 Maintain the confidentiality of all documents and records.
- 5.12.2 Use the documents and records solely for the purpose of managing and operating the Property.
- 5.12.3 Not disclose any documents or records to third parties without the prior written consent of the Owner, except as required by law.
- 5.12.4 Implement appropriate security measures to protect the confidentiality of the documents and records.

5.13 Digital Recordkeeping and Access. All financial records, reports, and supporting documentation shall be maintained in a secure digital format. The Owner shall be granted access to these records through a secure portal or upon written request.

5.14 Internal Controls and Audit Support. The Accounting Services Provider shall implement reasonable internal controls to ensure the accuracy and integrity of financial data. Upon request, the Accounting Services Provider shall cooperate with any third-party audit or financial review initiated by the Owner.



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



5.15 Budgeting Support (Optional or Upon Request). Upon request, the Accounting Services Provider may assist the Owner in preparing or reviewing annual operating budgets. This service may be subject to an additional fee as agreed upon in writing.

5.16 Transition Support Upon Termination. Upon termination of this Agreement, the Accounting Services Provider shall cooperate in good faith to transition all financial records, reports, and system access to the Owner or a designated successor. This includes providing a final accounting and digital copies of all relevant documentation.

5.17 Limitations of Scope. The Accounting Services Provider's responsibilities under this Agreement are limited to the accounting and bookkeeping functions expressly described herein. The Accounting Services Provider shall not be responsible for, nor have authority over, the following:

- 5.17.1** Enforcing lease terms or collecting delinquent rent
- 5.17.2** Communicating directly with tenants regarding non-financial matters
- 5.17.3** Managing or supervising on-site personnel or vendors
- 5.17.4** Making operational or legal decisions on behalf of the Owner
- 5.17.5** Ensuring compliance with building codes, rental licensing, or other regulatory requirements, except to the extent of notifying the Owner of any known issues
- 5.17.6** Preparing or filing tax returns (unless separately agreed upon in writing)

Any services outside the scope of this Agreement must be authorized in writing by the Owner and may be subject to additional fees.

ARTICLE 6 - OWNER'S OBLIGATIONS

Throughout the term of this Agreement, the Owner shall have the following obligations.

6.1 Designated Property Manager or Asset Manager. The Owner may designate a Property Manager or Asset Manager to act on their behalf in the day-to-day operations of the Property. In doing so, the Owner agrees to communicate the responsibilities outlined in this Agreement to the designated party. The Owner shall provide the Accounting Services Provider with the contact information for the designated Property Manager or Asset Manager and ensure that they understand the Accounting Services Provider's role is limited to financial recordkeeping and reporting. The Accounting Services Provider shall have no supervisory or managerial authority over the Property Manager or Asset Manager. If the Owner chooses not to engage a designated



Property Manager or Asset Manager, the Owner agrees to assume the responsibilities outlined below.

6.2 Responsibilities of the Property Manager or Asset Manager. The Owner agrees to instruct the designated Property Manager or Asset Manager to cooperate with the Accounting Services Provider in fulfilling the financial reporting and recordkeeping obligations under this Agreement. These responsibilities include, but are not limited to:

6.2.1 Access to Financial Information and Documentation. The Owner acknowledges that timely and accurate financial reporting depends on the prompt provision of records. Accordingly, the Property Manager or Asset Manager shall:

- 6.2.1.1 Provide the Accounting Services Provider with accurate and complete records of all income, expenses, and other financial transactions related to the Property.
- 6.2.1.2 Submit copies of all receipts, invoices, and supporting documentation for transactions within five (5) business days of the transaction date, or within a reasonable time consistent with industry standards. These records shall be provided in a format reasonably requested by the Accounting Services Provider.

6.2.2 Financial Coordination. While the Accounting Services Provider does not direct or oversee the Property Manager or Asset Manager, the Owner agrees that the designated party shall:

- 6.2.2.1 Respond to reasonable requests from the Accounting Services Provider for clarification or justification of expenses or charges.
- 6.2.2.2 Cooperate in reviewing specific financial transactions or categories to ensure alignment with the Owner's objectives and reporting requirements.
- 6.2.2.3 Provide information necessary for the Accounting Services Provider to fulfill its obligations under this Agreement in a timely and professional manner.

6.3 Provision of Financing Information. The Owner shall provide the Accounting Services Provider with accurate, complete, and current financial documentation necessary for the effective performance of accounting services under this Agreement. This includes, but is not limited to, financial statements, loan documentation, amortization and depreciation schedules, and any other records reflecting the financial obligations, performance, or structure of the Property. All documentation shall be submitted in a format acceptable to the Accounting Services Provider and in a timely manner to support accurate financial reporting and compliance.

The Owner shall provide the Accounting Services Provider with access to any financial systems, bank portals, or third-party platforms necessary to perform the services outlined in this



Agreement. The Owner shall ensure that such access is maintained throughout the term of the Agreement.

6.4 Vendor Documentation Requirements. For the Accounting Services Provider to process payments to vendors for day-to-day operational expenses, the Property Manager must inform vendors that submission of a completed W-9 and a valid certificate of insurance (COI) is required. The Property Manager must also provide the Accounting Services Provider with the vendor's contact information. It is preferred that the Property Manager initiate an email introduction between the vendor and the Accounting Services Provider's finance team, including instructions on where to submit invoices and the requirement to provide a W-9 and COI.

6.5 Equity Investors and Beneficial Ownership Information The Owner shall provide the Accounting Services Provider with complete and accurate information regarding all equity investors associated with the Property for the purpose of maintaining financial records and facilitating owner distributions. This includes, but is not limited to:

6.5.1 Owners

- 6.5.1.1 Name of each owner
- 6.5.1.2 Contact information (address, phone number, email)
- 6.5.1.3 Tax identification number
- 6.5.1.4 W-9 form
- 6.5.1.5 Banking information (bank name, account number, routing number)

6.5.2 Beneficial Ownership Information Report. The Owner shall comply with the Beneficial Ownership Information (BOI) reporting requirement as mandated by the Corporate Transparency Act. The Owner shall:

- 6.5.2.1 Arrange for the completion of the BOI report.
- 6.5.2.2 Ensure that the BOI report is submitted to the Financial Crimes Enforcement Network (FinCEN) as required

The above information shall be provided in a digital format (e.g., PDF, Excel) and delivered to the Accounting Services Provider within 10 business days prior to the commencement of this Agreement.

6.6 Owner Communication. When the Owner consists of an ownership group, the group shall designate a single point of contact in writing and provide this information to the Accounting Services Provider. The Accounting Services Provider's communication with other members of the ownership group shall be limited to matters directly related to their individual contact information and distribution records. The Accounting Services Provider shall not be responsible for coordinating communications among ownership group members.

507.334.3499 | 303 1st Ave. NE, Suite 100, Faribault, MN 55021 | trekkproperties.com



6.7 Bank Account. The Owner shall maintain one or more accounts at a duly qualified national or local banking institution, for the sole use of the Property. The Owner shall provide the designated Accounting Services Provider with access to the account(s) to allow for all necessary bookkeeping functions. The Owner, or any other party with access to the account, shall not deposit, withdraw, write checks, or initiate transfers from the account without providing prior notice to the Accounting Services Provider. The Accounting Services Provider may offer recommendations regarding such transactions to ensure the continued financial health and operational obligations of the Property are maintained.

6.8 Establishment and Maintenance of Operating Reserve. Upon the execution of this Agreement, the Owner shall deposit as an initial operating reserve ("Operating Reserve") for the operating expenses for the Property, which Operating Reserve shall be the sole source from which the Property Manager shall pay all expenses incurred in the operation of the Property. The Owner shall add funds to the Operating Reserve upon written notice by the Asset Manager of the need for additional funds, provided that in the event of the Owner's failure to pay such additional funds within fifteen (15) days of a written request by the Asset Manager, the Asset Manager may terminate this Agreement immediately upon written notice to the Owner with no further obligation to the Owner.

6.9 Reimbursement and Payment of Expenses. The Owner shall promptly reimburse the Accounting Services Provider for any documented expenses incurred on behalf of the Property in connection with the services provided under this Agreement. This may include, but is not limited to, postage, third-party service fees, or software-related charges. The Owner shall also be responsible for promptly paying any attorneys' fees incurred by the Accounting Services Provider in the performance of its duties under this Agreement, including legal advice obtained regarding compliance with applicable laws affecting the Property, provided such expenses are pre-approved by the Owner in writing unless otherwise required by law.

6.10 Payment of Taxes and Mortgage Payments. The Owner shall pay all taxes and mortgage payments on the Property on a timely basis to the extent the Owner does not request in writing that the Accounting Services Provider does so.

6.11 Cost Segregation Study. The Owner is responsible for arranging, conducting, and paying for a cost segregation study if they choose to complete one. The process is as follows:

6.11.1 Arrangement and Payment: The Owner shall arrange and pay for the cost segregation study.

6.11.2 Submission to Tax Accountant or CPA: The cost segregation study shall be sent to the tax accountant or CPA of the Owner's choosing.



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



6.11.3 Determination of Amortization and Depreciation Schedules: The tax accountant or CPA will determine the amortization and depreciation schedules based on the study.

6.11.4 Communication of Expenses: The tax accountant or CPA must communicate any applicable amortization or depreciation expenses that need to be taken in the current year to the Property Manager of the Property.

6.12 Selection of Tax Accountant and End-of-Year Financials. The Owner is responsible for selecting a tax accountant for the Property. The Owner shall provide the Accounting Services Provider with the contact information for the selected tax accountant. Additionally, the Owner must stipulate if there is an individual or entity designated as the "Owner Representative" who should receive the end-of-year financials prior to their submission to the tax accountant. The process is as follows:

6.12.1 Selection of Tax Accountant: The Owner shall select a tax accountant and provide the Accounting Services Provider with the contact information (name, address, phone number, email) of the tax accountant.

6.12.2 Owner Representative: If applicable, the Owner shall designate an Owner Representative to review the end-of-year financials before they are sent to the tax accountant. The Owner must provide the contact information for the Owner Representative to the Accounting Services Provider.

6.12.3 Review and Adjustments: The Owner Representative will review the end-of-year financials and provide any necessary adjustments to the Accounting Services Provider.

6.12.4 Submission Timeline: The Accounting Services Provider will aim to provide the end-of-year financials to the Owner Representative by February of the year following the tax year. After the review and adjustments, the financials will be sent to the tax accountant.

6.12.5 Tax Accountant Responsibilities: The tax accountant is responsible for providing the Accounting Services Provider any additional end-of-year financial adjustments, depreciation and amortization schedules for the next calendar year, filing the tax return, and providing any K-1s to the Owner.

6.12.6 Owner Responsibilities: It is the Owner's responsibility to disseminate the K-1s to all owners in the ownership group.

6.13 Sale of Property. The Owner shall notify the Accounting Services Provider in writing prior to entering into any agreement to list, sell, or otherwise transfer ownership of the Property. While the Accounting Services Provider shall not be responsible for managing the sale or disposition



process, the Owner may request additional accounting or bookkeeping services related to the transaction, such as preparing financial summaries, responding to due diligence requests, or reconciling final distributions. Any such services shall be considered outside the scope of this Agreement and may be subject to a separate written agreement and additional fees.

6.14 Record Retention. The Owner shall retain original source documents and records not otherwise maintained by the Accounting Services Provider. The Accounting Services Provider shall retain digital copies of financial records and reports it prepares for a period of seven (7) years, unless otherwise required by law.

6.15 Timely Payment of Service Fees. The Owner shall pay the Accounting Services Provider the "Service Fees" described in Article 3. Failure to pay by the specified date will result in a late payment fee of 8% of the outstanding balance, applied on the last day of each month.

6.16 Exclusive Relationship. Throughout the term of this Agreement, the Owner shall not authorize any person, firm, or entity other than the Accounting Services Provider to act as the Accounting Services Provider for the Property.

ARTICLE 7 - EARLY TERMINATION

7.1 Early Termination. Unless otherwise provided in this Agreement, in the event of a default by either party hereunder, either party may terminate this Agreement by providing written notice to the other party, stating the default of the other party, and if the other party fails to cure such default within seven (7) days, this Agreement shall terminate.

7.2 Owner Responsible for Payments after Termination. After the termination of this Agreement for any reason, the Owner shall assume the obligations of any contract or outstanding bill incurred by the Accounting Services Provider on behalf of the Owner under this Agreement. The Accounting Services Provider shall deliver to the Owner, within thirty (30) days after the end of the month in which the Agreement is terminated, any balance of monies due to the Owner, including tenant security deposits, that were held by the Accounting Services Provider with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination.

ARTICLE 8 - INDEMNIFICATION

8.1 Liability and Indemnification. The owner shall not hold the Accounting Services Provider liable for any error of judgment or for any action taken or omission by the Accounting Services Provider except in the event of willful misconduct or gross negligence by the Accounting Services



507.334.3499



303 1st Ave. NE, Suite 100
Faribault, MN 55021



trekkproperties.com



Provider. The Owner shall indemnify and hold the Accounting Services Provider harmless from, and defend the Accounting Services Provider against, any and all claims, charges, debts, demands, damages, agency enforcement actions, attorneys' fees, and lawsuits, of whatever nature, associated with or arising out of the performance of the Accounting Services Provider's duties herein or for any liability for personal injury or property damage occurring on or about the Property. The Owner acknowledges that the ownership and operation of rental property is a regulated business. The Accounting Services Provider does not assume responsibility for compliance with the requirements of any federal, state, or local statute, ordinance, law, or any kind relating to the licensing of rental property, building codes, or other local codes relating to real property except to give notice to the Owner of any complaints, warnings, notices, or summons received by the Accounting Services Provider relating to such matters.

ARTICLE 9 - OWNER REPRESENTATIONS

Owner hereby makes the following representations and warranties upon which the Accounting Services Provider shall rely:

9.1 Title to Property. The Owner has fee simple title to and peaceable possession of the Property and the legal capacity to lease the Property.

9.2 No Other Agreements; Zoning. There are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to the Property Manager, and the Property is zoned for intended use.

9.3 Rental License. Unless otherwise disclosed to the Accounting Services Provider in writing, the Owner has secured and is maintaining all current permits, including any rental license, necessary for the Property's operation.

9.4 Condition of Property. The Property, and its construction and operation, does not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including but not limited to, those pertaining to hazardous or toxic substances) and does not contain any asbestos, radon, or other toxic or hazardous substance, and that no unsafe condition exists, and that the Owner is unaware of any condition concerning the Property that materially affects the health or safety of an ordinary tenant.

9.5 No Foreclosure. The Owner represents and warrants that the Property is not currently in foreclosure, or subject to any similar proceeding, and no reasonable basis exists to believe that the Property will be subject to foreclosure or similar action within the foreseeable future.



9.6 Condominium Association Compliance. If the Property is a condominium, the Owner represents that no restrictions exist in the “Declarations,” “Bylaws,” or other organizational or homeowner’s association (HOA) documents covering the Property that would prohibit the leasing of the Property or the execution of this Agreement.

ARTICLE 10 - NOTICES

10.1 Notices. Any notice provided by one party to the other shall be in writing and served either personally or sent by United States mail, certified, postage prepaid, or by pre-paid nationally recognized overnight courier service, or by email, addressed at the addresses set forth below or at such address as either party may advise the other from time to time, with a copy of any notice to the following electronic addresses:

If to Owner:	If to Accounting Services
City of Faribault HRA	Provider:
208 1 st Ave NW	Trekk Properties
Faribault,	MN 303 1 st Ave NE Suite 110
55021Accounting	Faribault, MN 55021

ARTICLE 11 - RELATIONSHIP

11.1 Each of the parties, in performing their respective services and obligations set forth herein, shall act and perform as independent contractors with respect to the other, and nothing in this Agreement shall constitute a partnership, joint venture, franchise, or any other arrangement between the parties hereto other than as a mere vendor/vendee relationship.

ARTICLE 12 - AMENDMENTS AND WAIVERS

12.1 Amendment. This Agreement cannot be amended, altered, enlarged, supplemented, abridged, or modified, nor may any provision hereof be waived, except by a writing duly signed by all parties.

12.2 Entire Agreement; Waiver. This Agreement constitutes the entire agreement of the parties as to the matters set forth herein, superseding all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof.



12.3 Amendment of Agreement; Waiver. This Agreement cannot be amended, altered, enlarged, supplemented, abridged, or modified, nor may any provision hereof be waived, except by a writing duly signed by all parties. The failure or delay by either party hereto to enforce or exercise at any time any of the rights or remedies or other provisions of this Agreement shall not be construed to be a waiver thereof, nor affect the validity of any part of this Agreement or the right of either party thereafter to enforce any such right or remedy or other provisions. No waiver by either party of any breach of this Agreement by the other party shall be held to be a waiver of any other breach by such other party.

12.4 Disclaimer. All services and obligations not expressly detailed herein are the responsibility of the owners and/or their contracted property management provider.

ARTICLE 13 - ATTORNEY FEES

13.1 Attorneys' Fees. In the event of any legal action with respect to this Agreement taken by one party against the other party hereunder, the prevailing party shall be entitled to its reasonable attorneys' fees and court costs incurred in such action.

ARTICLE 14 - ASSIGNMENT, SUCCESSORS, AND SEVERABILITY

14.1 Successors. This Agreement shall be binding upon the heirs, executors, administrators, successors-in-interest, and permitted assigns of the parties hereto.

14.2 Severability. The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.

14.3 Minnesota Law to Govern. This Agreement shall be construed and enforced in accordance with the laws of Minnesota. The parties hereby consent to the personal authority solely of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement.

14.4 Time of Essence. Time is of the essence to the parties executing this Agreement.

14.5 Captions. Paragraph captions used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

14.6 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and



the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Asset Management Agreement on the date and year first above written.

Owner:
SIGNATURE: _____
NAME: _____
TITLE: _____
DATE: _____

Trekk Properties – Agent
SIGNATURE: _____
NAME: _____
TITLE: _____
DATE: _____



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jessica Kinser, City Administrator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: Resolution 2026-16 Update Authorized Signers for the Scattered Sites Bank Accounts

BACKGROUND:

Part of bringing a property manager on board for the scattered sites properties is providing financial access for deposits of rent to be made and an account for the manager to write checks off of. Most of the scattered site accounts are with CCF Bank, except for one. When CCF ceased operations in February 2025, a deposit account was created at State Bank of Faribault for the deposits of the scattered site properties to be made locally. This account remained active for Cornerstone to drop off rents and has continued for City employees to do the same.

On May 11th we received an interest rate quote for consolidating all scattered sites accounts at State Bank of Faribault. The interest rate offered is 1/5 of what the funds (more than \$1 million) are making at CCF. Therefore, we determined the best decision for the HRA Board was to keep the higher interest bearing accounts and continue to operate as we had been with the prior property manager. Therefore the resolution has been modified to add Christopher Kennely from Trekk Properties as a signer on the HRA accounts at CCF. We will get a remote deposit machine for Trekk which will allow them to deposit checks into the CCF account without a local branch. The City utilizes a similar machine for utility bill and other payments and has found it to work well.

With Trekk not accepting cash, we will likely come back in June with a resolution to close the State Bank of Faribault deposit account, as it will no longer be needed.

REQUESTED ACTION:

Approve Resolution 2026-16

ATTACHMENTS:

1. Resolution 2026-16 Update Authorized Signers for Scattered Sites Bank Accounts

CITY OF FARIBAULT

RESOLUTION #2026-16

UPDATE AUTHORIZED SIGNERS FOR THE SCATTERED SITES BANK ACCOUNTS

WHEREAS, the Faribault Housing and Redevelopment Authority (the "HRA") undertook a Rental Assistance Demonstration (RAD) repositioning process for the forty-nine (49) scattered site properties; and

WHEREAS, the scattered site properties will also be going through a change in property management with Trekk Properties to provide services starting June 1, 2026; and

WHEREAS, Minnesota State Statute 118A allows the HRA to designate financial institutions at which accounts are held and the authorized signatories on those accounts.

NOW, THEREFORE BE IT RESOLVED, the following individuals are hereby designated as official signatories for the scattered site accounts at CCF Bank:

Thomas Spooner, Mayor
Jessica Kinser, City Administrator
Kindra Papenfus, Finance Director
Christopher Kennely, Trekk Properties

Date Adopted: May 11, 2026

John Rowan, Chair

ATTEST:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jessica Kinser, City Administrator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: 2025 Year-End Financial Report- Scattered Sites - Fund 294

BACKGROUND:

As mentioned at the April meeting, staff is working to close out the RAD repositioning process and public housing operations for the scattered site properties owned by the HRA. Part of this required closing the fund that accounted for "public housing". With HUD's blessing, we created a new fund, Fund 294- Scattered Sites, in the City's accounting system and transferred all year-end balances from the public housing fund to this new fund. As of the writing of this memo, we have not received any negative feedback from HUD about this move, and it went through the City's 2025 audit in a new fund.

At this time, we present the 2025 year-end financial statement for Fund 294- Scattered Sites. These are still subject to adjustment by the auditors and should be considered unaudited. In looking at the unreserved fund balance of nearly \$1.5 million, this fund is in a healthy position to take on a number of items, including the repayments of amounts due to other funds and governments (approved in April) as well as some more significant building renovation. As a reminder, through 2025, the HRA paid Cornerstone \$5,500 a month in management fees and an additional \$4,000 a month to have facility maintenance available, which was \$114,000 of the total expenses or 25% of the total expenditures. The City also billed time directly to the scattered site properties for work provided as it was happening. This totaled \$87,470.39. Most repair expenses previously noted are happening in the current year.

Please note that this also does not reflect any cash having been transferred

into the capital reserve account (294-10156), which was also an action that has started in 2026.

REQUESTED ACTION:

Approve and place on file

ATTACHMENTS:

1. Scattered Sites 2025 Year End

Org	Object	Description	2025 Actual	
294	10125	CashEscrow-Security Deposits	15,640.13	
294	10130	Cash Required Reserves	0.00	
294	10151	Cash - Scattered Site Deposit	0.00	
294	10152	Cash - Scattered Site Operate	1,878,609.35	
294	10155	Cash - SBF HRA Deposit Sweep	90.00	
294	10156	Cash - SS Replacement Reserve	0.00	
294	10410	Invest – FMV Adjustment	0.00	
294	10450	Interest Receivable on Invest	0.00	
294	11500	Accounts Receivable	9,226.61	
294	11520	AR – Collections	0.00	
294	11600	Accounts Receivable - Misc	20,398.64	
294	13200	Due from Oth Governments	0.00	
294	13400	Due from Component Unit	0.00	
294	13600	Rent Receivable	0.00	
294	13610	Uncollectible Rents	0.00	
294	13710	Allow Uncollectible Loans	0.00	
294	15500	Prepaid Items	0.00	
294	20200	Accounts Payable	-18,565.89	
294	20201	ACI Accounts Payable	0.00	
294	20205	Accounts Payable Miscellaneous	-26,696.64	
294	20210	Payment In Lieu Taxes Payable	0.00	
294	20700	Due to Oth Funds	-339,170.00	
294	20800	Due to Oth Governments	-42,969.60	
294	22000	Deposits	-15,605.95	
294	22200	Deferred Revenues	-3,222.15	
294	25300	Unreserved Fund Balance	1,477,734.50	
SSite	33160	Federal Grants	0.00	Revenue Accounts
SSite	34108	Administrative Fees	0.00	
SSite	36200	Oth Miscellaneous Revenue	33,406.60	
SSite	36210	Interest on Invest	-32,255.10	
SSite	36211	Interest Market Value	0.00	
SSite	36220	Rents	-926,572.00	
SSite	36240	Refunds & Reimbursements	-20,398.64	
		Total REVENUES	-945,819.14	
SSite	42010	Supplies	282.61	
SSite	42120	Motor Fuels	0.00	
SSite	42230	Building Supplies	11,091.12	

SSite	42410	Minor Equipment & Small Tools	10,362.93	Expenditure Accounts
SSite	43010	Auditing & Accounting Services	0.00	
SSite	43040	Legal Fees – Civil Process	0.00	
SSite	43060	Contract Labor	13,302.22	
SSite	43070	Management Services	129,579.36	
SSite	43090	Expert & Professional Services	153.07	
SSite	43095	Software Maintenance & Support	882.00	
SSite	43220	Postage & Shipping	365.00	
SSite	43410	Advertising	0.00	
SSite	43610	Insurance & Bonds	29,490.75	
SSite	43810	Electric Utilities	4,062.65	
SSite	43820	Water Utilities	4,154.79	
SSite	43830	Gas Utilities	2,419.58	
SSite	43840	Refuse Disposal	2,501.31	
SSite	43850	Sewer Utilities	0.00	
SSite	43860	Storm Water Utilities	0.00	
SSite	44010	Building Maintenance	232,791.21	
SSite	44050	Extraordinary Maintenance	0.00	
SSite	44320	Bad Debt	0.00	
SSite	44325	Bank Fees & Charges	1.12	
SSite	44330	Dues and Subscriptions	1,084.99	
SSite	44370	Miscellaneous Charges	0.00	
SSite	44375	Utility Reimbursement	0.00	
SSite	44390	Taxes & Licenses	17,472.75	
SSite	44700	Interest	291.79	
SSite	45200	Building & Improvements	0.00	
		Total EXPENDITURES	460,289.25	



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Kari Casper, Administrative Assistant II
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: Occupancy for Scattered Sites

BACKGROUND:

The purpose of this memorandum is to provide the Faribault Housing and Redevelopment Authority with an update on the Scattered Site program. The occupancy is currently at 93% with three vacant units. Two of the units are ready for RCHRA inspections and are awaiting a potential tenant from the RCHRA's wait list. The third unit is awaiting finishing the countertops, putting in the new appliances and lighting. After that, the unit can be cleaned and re-rented. The HRA has received two notices to vacate from tenants that intend on moving on May 31st that were at market rate.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. ap_vacancyrpt_Redacted

Faribault H.R.A.
Current Vacancy Report
 Project Based Vouchers

Pgm-Prj-Unit-Sq	Previous Tenant Name	Address	Aptno	Bdrm Size	MoveOut Date	# Days Vacant	Notes
PB-001-0124-01	[REDACTED]	1524 Western Avenue Faribault, MN 55021		3	04/01/2026	37	
PB-001-0329-01	[REDACTED]	521 Lincoln Avenue Faribault, MN 55021		3	12/01/2025	158	
PB-001-0344-02	[REDACTED]	904 C Spring Road Sw Faribault, MN 55021		3	01/01/2026	127	

Project Based Vouchers-Project 001 Totals	# Units:	3	# Days:	322	Avg Days:	107.33	# Units Assigned but not Moved In:	0
All Projects:	# Units:	3	# Days:	322	Avg Days:	107.33	# Units Assigned but not Moved In:	0





Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jessica Kinser, City Administrator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: Housing Partner Presentation - Rice County Community Land Trust - Teri Menard and Laura Helle

BACKGROUND:

In an effort to better understand the roles that other organizations play when it comes to housing (and in furtherance of Focus Area #4), Teri Menard, President, and Laura Helle, Vice President, of the Rice County Community Land Trust (RCCLT) will be present to talk about the mission of this very new organization to Faribault and Rice County. The organization was borne out of multiple conversations with housing partners as a way to help maintain affordable property ownership opportunities in perpetuity in the community. The HRA Executive Director is a member of the RCCLT Advisory Board, and the Faribault HRA had a seat at the table while the organization was forming.

REQUESTED ACTION:

No action requested

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: May 11, 2026
SUBJECT: Resolution 2026-17 Approve Financial Assistance to Support Affordable Housing in the Twin Oaks Subdivision

BACKGROUND:

Faribault HRA and Rice County HRA have a long history of working together to provide affordable homeownership opportunities for area families. Rice County HRA and Three Rivers Community Action Center partnered to create Twin Oaks Subdivision, north of the new Rice County Public Safety Center. Habitat for Humanity built the first six houses in the development, and the Faribault HRA provided \$5,000 per home to offset building permit, SAC, and WAC fees, and help ensure the affordability of the housing.

Rice County issued a Request for Proposals (RFP) for builders to construct the next eight (8) houses in the development. Rice County HRA reports that the USDA has reduced the loans for the new housing by roughly \$90,000 per unit. Consequently, Rice County HRA is exploring opportunities to reduce the housing costs by modifying the housing design and other cost savings opportunities, such as having Faribault HRA offset the cost of City permits and fees.

Rice County HRA requests that Faribault HRA provide Rice County HRA \$5,000 per unit to help cover the cost of the City's permits and fees. Faribault HRA has the funds to cover Rice County HRA's request. The funding is consistent with Faribault's HRA's vision and mission to promote affordable housing options.

REQUESTED ACTION:

Approve Resolution 2026-17.

ATTACHMENTS:

1. Resolution 2026-17

**HOUSING AND REDEVELOPMENT AUTHORITY OF
FARIBAULT, MINNESOTA**

RESOLUTION #2026-17

**APPROVE FINANCIAL ASSISTANCE TO HABITAT FOR HUMANITY TO HELP OFFSET
AFFORDABLE HOUSING DEVELOPMENT COSTS**

WHEREAS, Twin Oaks is an affordable housing subdivision developed by the Rice County Housing and Redevelopment Authority (the "Rice County HRA"); and

WHEREAS, in 2024, the Housing and Redevelopment Authority of Faribault, Minnesota (the "Faribault HRA") approved a payment of \$5,000 per unit to help Habitat for Humanity cover the cost of constructing the first six houses in the subdivision; and

WHEREAS, Rice County HRA issued a Request for Proposals (RFP) for the construction of the next eight (8) houses in the subdivision; and

WHEREAS, due in part to a reduction in USDA financial assistance, Rice County HRA is exploring options to reduce the housing costs by modifying the housing design and other cost-saving opportunities, such as having Faribault HRA offset the cost of City permits and fees; and

WHEREAS, Rice County HRA requests Faribault HRA contribute \$5,000 for each of the proposed eight (8) houses to be constructed in the Twin Oaks Subdivision; and

WHEREAS, the Faribault HRA finds that approving the Rice County HRA's funding request is consistent with the Faribault HRA's vision and mission to promote affordable housing options.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of Faribault, Minnesota (the "Faribault HRA") as follows:

1. Faribault HRA hereby authorizes payment to Rice County HRA in the amount of \$5,000 per for each of the eight houses to be constructed in the Twin Oaks Subdivision, not to exceed a total of \$40,000.
2. The Faribault HRA hereby authorizes City Staff to prepare the appropriate financial documents and hereby authorizes the Faribault HRA chair to execute documents.

Adopted: May 11, 2026

ATTEST:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: Financial Assistance Request for a Proposed Supportive Housing Program for Young Men Ages 18-24

BACKGROUND:

Pam Heikkila, founder and executive director of the proposed House of Heritage program, will present an overview of a planned supportive transitional housing initiative for young men ages 18–24 in Faribault. The proposed project would be located at the former Congregational Parish Building, 222 3rd Avenue NW, and would provide structured transitional housing, mentorship, employment expectations, and life skills development for young adults experiencing housing instability.

The proposal identifies a significant gap in services for unaccompanied young adult males in Rice County and references statewide data regarding youth homelessness and limited transitional housing capacity. The program model emphasizes accountability, employment, financial literacy, mentorship, and community integration as key components of resident success.

According to submitted materials, the facility would initially house up to eight residents in a home-like environment with structured expectations and oversight. The organization is currently pursuing or has received 501(c)(3) nonprofit status and anticipates a phased development timeline with a target launch in Summer 2027. Startup costs are estimated at approximately \$1.5 million, including acquisition and renovation of the property.

The applicant has requested an opportunity to present the concept to the

HONESTY • RESPECT • DEDICATED • VISIONARY • ACCOUNTABILITY

HRA Board, provide additional background on the project vision and operational approach, and discuss potential partnership opportunities with the City of Faribault. She has also been in contact with other local partners. Supporting materials provided to staff include a business plan, cover letter, and project website.

Right now, the item is intended primarily as an informational presentation and discussion about community needs, project feasibility, and potential future collaboration opportunities or willingness to contribute funds.

Website Link: [Home](#)

REQUESTED ACTION:

Provide feedback to staff on how to proceed regarding the proposed House of Heritage transitional housing initiative.

ATTACHMENTS:

1. HRA Grant Cover Letter
2. House_of_Heritage_Business_Plan



HOUSE OF HERITAGE

349 3rd Street, Farmington, MN 55024 | 651-468-9406 | heikkilastudios@mac.com

May 1, 2026

Pam Heikkila, Executive Director
City of Faribault HRA and EDA:

During the past year, I have fed over 600 meals to a variety of youth that flow in and out of my home. They have stories of sleeping behind the toilet paper overnight in Walmart during winter months, stealing food because there is none at home, and confessing that they have done a whole lot of things that they are not proud of doing. Most want to change.

Minnesota faces a critical and growing crisis: the unaccompanied homeless youth problem is skyrocketing, only 205 HYA-funded emergency shelter beds exist statewide. That represents just 2.7% capacity. These young adults exist in every community across the state. They sleep outside in January, sneak into hotel and apartment stairwells, and hide overnight in retail stores. These young men rob and sell drugs often to survive. This is not always moral failure—it is survival when the alternative is freezing to death.


The House of Heritage is a supportive transitional housing program designed exclusively for young men ages 18–24. Located at the Congregational Parish Building at 222 3rd Ave NW in Faribault a few blocks away. The program will house up to 8 residents in a home-like environment with structured expectations, employment requirements, financial training, mentorship; a clear pathway to independence.

Unlike emergency shelters or drug rehabilitation facilities, the House of Heritage is built on foundational principles of accountability. Residents will have “skin in the game”—they will be expected to secure employment, contribute financially toward room and board, participate in financial literacy training, and engage with the community through work, education, and service. The program is designed to develop high-level, responsible, capable leaders from young men who come from difficult and unstable backgrounds.

Although primarily privately funded, we need partnership help from the city of Faribault and are asking for \$50,000 towards the purchase and remodeling of the property in order to move forward. We believe this is something the city would be proud to have in their town; coming alongside as part of the solution. It will make an impact on a multitude of lives through the upcoming years, ultimately saving taxpayer dollars.

Sincerely,





House of Heritage

HOUSE OF HERITAGE

A Supportive Housing Program for Young Men Ages 18–24

Congregational Parish Building
222 3rd Ave NW, Faribault, Minnesota

BUSINESS PLAN

Prepared by:

Pam Heikkila, Executive Director

651-468-9406

349 3rd Street, Farmington, MN 55024

TABLE OF CONTENTS

1. Executive Summary
2. Statement of Need
3. Rationale and Evidence Base
4. Project Description and Scope
5. Program Model and Methodology
6. Community Engagement and Partnerships
7. Organizational Structure and Governance
8. Financial Plan
9. Timeline and Milestones
10. Risk Analysis and Mitigation
11. Measuring Success
12. Appendices

1. Executive Summary

Minnesota faces a critical and growing crisis: approximately 7,500 young adults ages 18–24 experience homelessness annually, while only 205 HYA-funded emergency shelter beds exist statewide. That represents just 2.7% capacity. These young adults exist in every community across the state. They sleep outside in January, sneak into hotel and apartment stairwells, and hide overnight in retail stores. The young women often engage in survival sex work, and the young men rob and sell drugs. This is not a moral failure—it is survival when the alternative is freezing to death.

This is not a static issue but a rising epidemic. Continued deterioration of families, escalating violence, drug use, sexual exploitation, and mental health crises are all contributing factors. Research shows that 79% of homeless young adults have experienced at least one adverse childhood experience, and 45% have remained in abusive situations due to a lack of housing options.

The House of Heritage is a supportive transitional housing program designed exclusively for young men ages 18–24 in Rice County, Minnesota. Located at the Congregational Parish Building at 222 3rd Ave NW in Faribault, the program will house up to 8 residents in a home-like environment with structured expectations, employment requirements, financial training, mentorship, and a clear pathway to independence.

Unlike emergency shelters or rehabilitation facilities, the House of Heritage is built on a foundational principle of accountability. Residents will have “skin in the game”—they will be expected to secure employment, contribute financially toward room and board, participate in financial literacy training, and engage with the community through work, education, and service. The program is designed to develop high-level, responsible, capable leaders from young men who come from difficult and unstable backgrounds.

The program will operate as a 501(c)(3) nonprofit organization (*currently in formation*), funded through a combination of corporate donations, private benefactors, grants, and resident contributions. The estimated property acquisition cost is \$500,000, with approximately \$1,000,000 in renovation costs. Monthly operating expenses are projected at \$15,000. Target launch is **Summer 2027**.

The House of Heritage will not only lessen the burden on emergency shelter systems, but will transform vulnerable young men into civic-minded, tax-paying adults who contribute positively to their communities.

2. Statement of Need

2.1 The Statewide Crisis: Data-Driven Evidence

According to the Minnesota Department of Human Services' 2025 Homeless Youth Act Biennial Report, the scale of youth homelessness in Minnesota is staggering:

- 7,500 young adults ages 18–24 experience homelessness annually in Minnesota
- 1,315 young adults experienced homelessness on a single night (October 26, 2023)
- 205 HYA-funded emergency shelter beds exist statewide across 31 programs
- 205 beds serving 7,500 young adults represents just 2.7% capacity

2.2 Who Are These Young Adults?

Data from the 2023 Minnesota Homeless Study (Wilder Research) paints a sobering picture:

- 79% experienced at least one adverse childhood experience (ACE)
- 45% remained in abusive family situations due to lack of housing options
- 34% had experience in foster care
- 35% were assaulted or attacked while homeless

Many of these young people never make it to foster care. They leave home out of fear due to physical abuse and, in many cases, incest within the family. Those who do enter foster care are sometimes housed in juvenile detention centers and hospitals when foster homes are unavailable. As they age out of these emergency systems, they have had little to no training on how to live independently.

2.3 The Transition Gap: Rice County

In Rice County specifically, Ruth's House serves women and families, but there is nothing in the community for unaccompanied young men ages 18–24. The Community Action Center offers temporary shelter for up to two weeks. Once young adults exhaust emergency shelter eligibility, they face three options: return to the streets, enter extremely limited transitional housing, or cycle back into emergency systems. This revolving door wastes resources and fails the very people it is intended to help.

3. Rationale and Evidence Base

3.1 Community Context

In February 2024, the Community Action Center of Northfield and Faribault held an expert panel on housing and homelessness in Rice County. Unaccompanied young adults were identified as a major focal point. The consensus was clear: youth homelessness is a critical unmet need, and there is a severe shortage of longer-term supportive housing in the region.

When the City of Faribault partners with this project, it would not only be addressing the issue—it would be actively creating a solution. The House of Heritage aligns directly with Rice County’s identified housing priorities and the Congregational Church’s historical mission to support community members in crisis.

3.2 Evidence-Based Outcomes

The program model—employment requirements, resident contributions, and mentorship—is grounded in research and has already been proven in practice by the Executive Director in her own home.

National Research on Transitional Living Programs (TLP):

A multi-year study funded by the U.S. Department of Health and Human Services examined outcomes for young adults in transitional living programs and found:

- 78% exited to permanent housing
- 62% obtained employment during TLP participation (vs. 52% before entering)
- Young adults who contributed rent (returned at exit) showed stronger budgeting skills and housing stability

Minnesota Outcomes Data (2024):

HYA-funded transitional and supportive housing programs in Minnesota show:

- 71% of residents exited to stable housing
- 94% had no housing instability 6 months after exit
- 76% had no housing instability 24 months after exit
- 24% obtained employment during housing program participation

These outcomes demonstrate that when young adults have housing, expectations, and support, they succeed. The House of Heritage model aims to exceed these benchmarks through its employment-first approach and structured accountability.

3.3 Proven Track Record

The Executive Director has already demonstrated the viability of this model on a personal level—vacillating between court hearings and college visits, providing rides to job interviews, permit and driver’s tests, GED exams, and medical visits. Over the past year, she fed over 600 extra meals in her kitchen while investing in the daily lives of young adults in crisis. Of those she has housed, all have found full-time employment and are working toward higher education.

4. Project Description and Scope

4.1 The Facility

Location: 222 3rd Avenue NW, Faribault, Minnesota (Congregational Church Parish House)

The facility is a historic building with an existing gymnasium, commercial kitchen, and dining hall. It offers the potential for 8–10 residential bedrooms across two levels, making it an ideal candidate for conversion to supportive housing.

4.2 Residential Design

Phase 1 (Initial Operation):

- 2–3 bedrooms on main level
- 4–6 additional bedrooms on upper level
- Individual or shared rooms with private bathrooms where feasible
- Total capacity: 8 residents maximum

Design Principles:

- Home-like environment with private or semi-private rooms (not dormitory-style)
- Preservation of historical integrity including existing gym, kitchen, and dining hall
- Full ADA accessibility compliance

4.3 Parking Solution

Parking has been identified as a critical city concern. Three options are proposed: designated city parking allocation across 3rd Avenue NW (2–3 spots), on-site expansion using the grass strip in front/side of the building (3 additional spaces), and utilization of the existing cement driveway in back for 2 private parking spaces.

4.4 Code Compliance and Next Steps

Key questions currently being resolved include whether a sprinkler system is required by building code and what interior modifications are needed to meet current standards. The methodology for resolving these items includes private examination by a licensed commercial inspector, meetings with city inspectors and the Economic Development Authority, architectural design and layout according to requirements, property purchase, remodeling with city code approvals, and operational launch.

5. Program Model and Methodology

5.1 The “Skin in the Game” Approach

The House of Heritage is not a rehab facility, detention center, or emergency shelter. It is designed to develop high-level, responsible, capable leaders from young men who come from difficult and unstable backgrounds. The program emphasizes ethics, personal responsibility, and high expectations—modeled after the structured environments found in institutions such as Shattuck boarding school.

5.2 Core Program Components

Employment Requirement:

Residents must secure employment within 30 days of intake. Acceptable employment includes retail, restaurant, landscaping, construction, or any entry-level legal work.

Financial Contribution:

Upon employment, residents contribute between \$500 and \$1,000 per month toward room and board. Contribution rates may scale with income, teaching the real-world principle that housing costs money and must be earned.

Financial Training:

Residents participate in structured training on budgeting, savings, and credit building to prepare them for full independence upon program exit.

Mentorship and Accountability:

Each resident is paired with a community patron or business sponsor who provides mentorship, accountability, real-world advice, and witnesses their progress firsthand.

5.3 Substance Use Policy

No drugs or alcohol are permitted on the premises or by residents at any time. Residents will be subject to monthly substance checks. The House of Heritage is designed for young men who are ready to pursue stability, accountability, and growth. Programs such as Hazelden and Teen Challenge appropriately serve individuals struggling with active addiction; this program serves those who are ready to move forward.

5.4 Intake and Exit Criteria

The formal intake program is currently under development and will include detailed eligibility criteria, assessment processes, behavioral expectations, and grounds for program exit. This section will be updated as the intake framework is finalized.

5.5 Key Program Differentiators

The House of Heritage is distinct from other programs in several critical ways. Residents are both employed and simultaneously pursuing education. The small scale of 8 residents maintains a home-like environment rather than an institutional one. Behavioral expectations emphasize structure, ethics, and accountability. Community integration is required through jobs, school, church, community service, and civic duty. A residential, home-like facility would not be a burden on surrounding homes.

6. Community Engagement and Partnerships

The House of Heritage will build a network of partnerships to ensure residents have access to pathways for employment, education, and personal development. Planned partnerships include:

- Schools and community organizations for at-risk young adult identification and referral
- Courts and probation offices for justice-involved young adults
- Foster care system agencies for young adults aging out of care
- Churches of various denominations for spiritual support and community connection
- Local employers for job placement and vocational training
- Community mentors and business sponsors for one-on-one guidance

The program's integration into the fabric of the Faribault community is central to its mission. Residents will not simply live in the community—they will contribute to it through employment, volunteerism, and civic engagement.

7. Organizational Structure and Governance

7.1 Legal Structure

The House of Heritage will operate as a 501(c)(3) tax-exempt nonprofit organization. The 501(c)(3) application is currently in process. Upon approval, the organization will be eligible to receive tax-deductible donations and apply for government and foundation grants.

7.2 Board of Directors

The organization will be governed by a Board of Directors consisting of 5 voting members. Board composition is currently being developed, with a focus on recruiting individuals who bring expertise in areas such as nonprofit management, finance, law, social work, youth development, and community leadership.

7.3 Staffing

Position	Status	Compensation
Executive Director (Pam Heikkila)	Full-time, Paid	Included in \$5,000/mo staff budget
Community Mentors	Volunteer	Unpaid
Additional Staff (Future)	TBD	As funding allows

Note: During initial operations, Pam Heikkila will serve as the sole paid staff member, supported by volunteer mentors and community partners. Additional staff will be hired as funding and program growth allow.

8. Financial Plan

8.1 Startup Capital Requirements

Item	Estimated Cost
Property Acquisition (222 3rd Ave NW)	\$500,000
Renovation and Code Compliance	\$1,000,000
Total Startup Capital	\$1,500,000

8.2 Monthly Operating Budget

Category	Monthly Cost
Staff Compensation (Executive Director)	\$5,000
Utilities, Insurance, Maintenance, Food, Supplies	\$10,000
Total Monthly Operating Expenses	\$15,000
Total Annual Operating Expenses	\$180,000

8.3 Revenue Model

Revenue Source	Projected Monthly Range
Resident Contributions (\$500–\$1,000/month x 8 residents)	\$4,000 – \$8,000
Grants (Federal, State, Foundation)	TBD – Applications in progress
Corporate Donations	TBD
Private Benefactors / Individual Giving	TBD

8.4 Funding Gap and Strategy

At full occupancy with 8 residents contributing an average of \$750 per month, resident contributions would total approximately \$6,000 per month, covering roughly 40% of the monthly operating budget. The remaining \$9,000 per month (approximately \$108,000 annually) will be covered through a diversified mix of grants, corporate partnerships, and private donations.

The 501(c)(3) designation, once secured, will enable the organization to apply for government grants (including HYA and HUD funding streams), foundation grants, and receive tax-deductible contributions from individual and corporate donors. A comprehensive fundraising strategy will be developed as part of the pre-launch phase.

9. Timeline and Milestones

Target Launch: Summer 2027

Phase / Timeframe	Activities
Phase 1: Foundation (2025)	File 501(c)(3) application; recruit Board of Directors; begin fundraising with initial donors; engage city officials and EDA
Phase 2: Planning (2025–2026)	Complete commercial inspection; meet with city inspectors for code requirements; develop architectural plans; finalize intake program; secure initial grant funding
Phase 3: Acquisition (2026)	Purchase property (\$500,000); begin renovation (\$1,000,000 budget); secure additional grants and donations
Phase 4: Build-Out (2026–2027)	Complete renovations and code compliance; furnish residential spaces; recruit community mentors and partners; finalize operational policies
Phase 5: Launch (Summer 2027)	Admit first cohort of residents; begin employment and mentorship programming; establish community partnerships; commence ongoing fundraising

10. Risk Analysis and Mitigation

Risk	Likelihood	Impact	Mitigation Strategy
Insufficient funding	Medium	High	Diversified funding model; resident contributions offset costs; phased launch approach
Building code / renovation delays	Medium	Medium	Early engagement with city inspectors and EDA; contingency budget
Community opposition	Low–Medium	Medium	Home-like design; small scale; structured expectations; proactive community engagement
Low resident occupancy	Low	Medium	Partnerships with courts, foster care, schools ensure referral pipeline
Resident behavioral issues	Medium	Low–Medium	Clear behavioral expectations; substance testing; structured environment; intake screening

11. Measuring Success

The House of Heritage will track the following outcome metrics to evaluate program effectiveness and report to funders:

Metric	Target
Employment rate within 30 days of intake	90%+
Exit to stable/permanent housing	80%+
Housing stability 6 months post-exit	90%+
Housing stability 24 months post-exit	75%+
Enrollment in education/vocational program	50%+
Substance-free compliance rate	100%
Average length of stay	6–12 months (TBD based on intake program)

Data will be collected and reported quarterly to the Board of Directors and annually to grant funders. Success stories and testimonials (with resident consent) will be shared with donors and community partners to demonstrate program impact.

12. Appendices

The following appendices will be added as the project progresses:

Appendix A: 501(c)(3) Application and Articles of Incorporation (pending)

Appendix B: Board of Directors Roster and Biographies (in development)

Appendix C: Commercial Inspection Report (pending)

Appendix D: Architectural Plans and Renovation Specifications (pending)

Appendix E: Intake and Exit Criteria (in development)

Appendix F: Letters of Support (to be collected)

Appendix G: Reference: Scott County Judge Patrick Goggins

Appendix H: Reference: Rice County Expert Panel on Housing and Homelessness (February 2024)

House of Heritage — Turning Crisis into Capability
For questions, contact Pam Heikkila at 651-468-9406



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: May 11, 2026
SUBJECT: Review the HRA's Strategic Priorities in Relation to the HRA's Housing Needs Analysis

BACKGROUND:

The HRA approved its Housing Needs Analysis in February 2026 and its Strategic Priorities in March 2026. However, it is unclear how much coordination there was between the two efforts. Furthermore, HRA's board changed during both efforts. Consequently, the attached Overview of the HRA's Strategic Priorities in relation to the HRA's Housing Needs Analysis is intended to highlight the findings of both efforts and clarify potential opportunities for the HRA to explore as it implements its strategic priorities.

REQUESTED ACTION:

Please review the attached overview and be prepared to provide feedback. City Staff's goal is to make sure we fully understand the HRA's strategic priorities in light of the recently adopted Housing Needs Analysis. In particular, review the color-coded stars next to each action to ensure Staff and the HRA Board work closely to effectively implement the HRA's strategic priorities over the next two to three years.

ATTACHMENTS:

1. An Overview of the HRA's Strategic Priorities in relation to the HRA's Housing Needs Analysis

AN OVERVIEW OF THE HRA'S STRATEGIC PRIORITIES IN RELATION TO THE HRA'S HOUSING NEEDS ANALYSIS

April 13, 2026

BACKGROUND AND PURPOSE

Maxfield Research and Consulting completed a Housing Needs Analysis for the HRA in October 2025. Staff provided comments on the report, and Maxfield finalized the report in November 2025. The HRA approved the Housing Needs Analysis in February 2026.

In October 2025, the HRA held its first meeting with Allyson Brunette to identify the HRA's strategic priorities. Over the next several months, the HRA continued to work on its strategic priorities and, on March 9, 2026, approved the HRA's Strategic Priorities Report.

This memorandum provides an overview of the key findings of the Housing Needs Analysis in relation to HRA's Strategic Priorities Report and comments on additional opportunities the HRA may want to explore as it implements its strategic priorities.

APPROACH

The HRA's Strategic Priorities Report outlines the HRA's top five strategic priorities for the next two to three years. The Housing Needs Analysis identifies Faribault's current housing needs and projects them over the next 10 years.

This memorandum outlines the key findings of the Housing Needs Analysis as they relate to each of the HRA's strategic priorities. It also comments on the proposed actions the HRA intends to take over the next two to three years. A green star (★) next to an action indicates that the HRA has completed or substantially completed the action. A yellow star (★) indicates that the HRA is working on the action. A red star (★) indicates that the HRA has significant work to do on the action. The HRA may choose to view a red star action as one that it should explore or strive to take, but may not complete in the next two to three years.

Finally, this memorandum provides conclusions regarding potential gaps that the HRA may want to address as it implements its strategic priorities. It is not the intent of this memorandum to rewrite the HRA's adopted Strategic Priorities Report.

The HRA should view its strategic actions as a living document that guides its mission, vision, and priorities. The HRA may not realize some of its adopted strategic actions as written, or may not realize them within the timeframe identified. However, the HRA must continually strive to advance its mission and move toward its vision.

PRIORITY 1: FACILITATE HOUSING OPTIONS

Faribault has a strong need for additional housing of all types. The HRA intends to increase housing options by developing, or helping others develop, additional housing that meets the needs of current and future residents. As the HRA implements its strategic priorities, it should do so in light of the Housing Needs Analysis.

Housing Needs Analysis Findings

The Housing Needs Analysis includes detailed information about Faribault's existing housing conditions and the need for additional housing units through 2035. Key findings of the analysis report are as follows.

Housing Demand Summary

Faribault should facilitate the development of the following housing units by 2035:

1. General occupancy (not age-restricted) owner-occupied:

- 288 single-family units
 - 155 twin homes, townhomes, and condominiums
- 443 total general occupancy owner-occupied units**

2. General occupancy rental:

- 444 market-rate
 - 461 affordable (30%-60% of the area median income)
 - 461 subsidized units (30% or less of the area median income)
- 1,366 total general occupancy rental units**

3. Senior:

- 188 active owner-occupied market-rate units
- 181 active rental units
- 379 affordable units
- 266 subsidized units
- 216 independent living units
- 124 assisted living units
- 107 memory care units

1,461 total senior housing

Demographics

1. Population growth does not equal housing unit demand. Faribault is expected to add 1,692 residents between 2025 and 2035. However, the Housing Needs Analysis shows that Faribault has a demand for 3,270 units by 2035. Of these units, we can assume that 700-900 will accommodate the expected population increase. The remainder will accommodate pent-up demand due to Faribault's low housing vacancy rate and the significant number of Faribault workers who do not live in the city but could live there. Also, household unit sizes are decreasing, requiring more housing units per capita. **In short, housing demand exceeds the number of units required to accommodate the current and projected population.**
2. Currently, the 35-44 age group (3,607 people) is the largest demographic cohort in Faribault and is expected to remain the largest until at least 2035. Generally speaking, the 35-44 cohort desires low-maintenance, single-family homes in good neighborhoods. However, many cannot afford to buy a single-family home and are choosing rentals. **There is a strong need to provide additional affordable owner-occupied units for those aged 35-54.**
3. The 25-34 age group (3,560 people) is almost as large as the 35-44 cohort. However, unlike the 35-44 cohort, the 25-34 cohort is generally looking for affordable rental property. **Many in the 25-34 cohort do not have the income or interest to buy and maintain a house.**
4. The 75 and older age group (the baby boom generation) is growing, but the baby bust generation (the 55-64 age group) is at or nearing retirement. They may choose to stay in their homes in the short term. By the time some wish to move into senior housing, it should be available if Faribault provides additional senior housing to meet current needs. **In short, through 2035, there is a strong need for additional senior housing.** After that, the need may subside for a decade or so.
5. In 2025, Faribault's median household income was estimated at \$62,430, roughly 25% lower than the county and Southeast Minnesota. **Faribault needs housing that aligns with the community's lower household incomes.**

6. Since 2010, non-family households (persons living alone or unrelated persons living in the same housing unit) have grown by 24%, **suggesting a demand for housing products other than the traditional single-family home, including single-family homes with many bedrooms.**

Employment and Income

1. Faribault is expected to add 503 jobs by 2035. However, labor and housing availability will affect projected job growth. **Faribault must provide new housing to support Faribault's economic development goals.**
2. Roughly 7,155 workers commute to Faribault for employment, while 6,205 residents leave Faribault for employment. Only 4,468 people live and work in Faribault. **While there are likely many reasons a large percentage of workers choose not to live in Faribault, if only a small percentage of those (say 10%) chose to live and work in the city, it would have a significant economic impact on the community.**
3. A household earning the average weekly wage in Faribault (\$1,140) can afford roughly \$1,482 in monthly rent for an apartment. The average market-rate rental rate is \$1,200 per month. **Therefore, the average household can afford an average rental unit in Faribault.**
4. The average annual household income in Faribault in 2025 was \$59,820. However, a household needs a minimum annual income of \$97,320 to afford the median resale price of \$317,920 for a single-family home. **Consequently, many households cannot afford a median-priced single-family home, underscoring the need for more affordable options.**

Housing Characteristics

1. Faribault has 9% more multi-family housing units and manufactured home community units than the region. **To have roughly the same percentage of the region's detached housing units, the community would need to provide more affordable single-family residences.**
2. Roughly 20% of Faribault's housing units were built before 1940. **While some units are well cared for, others need, or will need, substantial repair and maintenance work.**

3. In recent years, multi-family housing has grown significantly, averaging roughly 56 units per year. Whereas, single-family units average roughly 24 units per year. Recently, fewer than two townhome units have been developed per year. **In short, most of the housing developed in recent years has been multi-family market-rate apartments. However, the community needs additional housing of all types.**

For-Sale Housing Market

1. The median resale price of a detached single-family residence has increased dramatically in recent years, reaching over \$300,000. The median price of a new single-family residence is over \$400,000. New multi-family units have a median price of nearly \$360,000. **Households at or below the area median income will find it difficult to purchase a house in Faribault. Most new multi-family housing will request financial assistance to build units that are affordable.**
2. Faribault has roughly a three-month supply of available single-family and multi-family homes for sale. However, Faribault should strive to have a roughly six-month supply of homes. The increased cost of homes is due, in part, to the limited supply. **Faribault should strive to double the supply of housing for sale.** This may involve constructing new housing or providing seniors with options to move out of their homes into senior housing and similar solutions.
3. In 2025, Faribault had roughly 143 existing vacant residential lots, 31 of which were listed for sale. **Without platting additional land for residential use, this will be insufficient to meet the projected demand through 2035.**

Rental Housing Market

1. In 2025, market-rate rental properties had a 2.5% vacancy rate, affordable units had a 0.6% vacancy rate, and subsidized units had no vacancies. **Faribault should maintain a vacancy rate of 5% to allow for turnover and adequate supply alternatives.**
2. **The average monthly rate across all market-rate rental properties is \$1,250 (\$1.45 per square foot).** Newer properties average \$1.67 per square foot, compared to \$1.26 per square foot for older properties.

Senior Housing Market

1. From 2010 to 2025, Faribault experienced a 71% increase in the 65- to 74-year-old population. **As this population continues to age, more people will be seeking specialized housing for seniors.**
2. By 2035, the demand for senior housing is expected to be as follows:
 - 369 active seniors (owner or rental),
 - 645 affordable or subsidized, and
 - 447 specialized (independent, assisted, memory care)

Housing Affordability

1. Rice County administers 149 Housing Choice Vouchers in Faribault.
2. In 2025, 17% of all owner-occupied housing units and 53% of rental households were considered cost-burdened (paying more than 30% of their income for housing costs). Nearly 13% of households in Faribault were severely cost-burdened (paying more than 50% of their income for housing).
3. Roughly half of the renter households can afford to rent a studio or one-bedroom unit at the average rent of \$1,025 per month. Only 42% can afford to rent a two-bedroom unit at the average rent of \$1,200 per month.

HRA Actions Through 2028

The HRA's adopted Strategic Priorities Report states that it will take the following actions in the next two to three years.

Short-Term Actions (By September 2026)

- ★ 1. **Identify vacant lots.** The City has maintained a vacant lot inventory map for many years and has periodically updated it. Some property owners are actively marketing vacant lots. While others are holding on to lots for open space with no intention of developing them at this time. *Please note: We have also identified HRA land that could accommodate additional HRA housing.*
- ★ 2. **Build and maintain relationships with housing developers.** The City is currently doing this and will continue to do this.
- ★ 3. **Invite an expert to attend an HRA meeting to discuss co-ops, community land trusts, and residential development.** In the last several years, the HRA has hosted speakers who have presented on co-ops and community land trusts. However, if the

HRA desires additional meetings with experts on community land trusts and co-ops, City Staff can arrange those meetings.

- ★ 4. **Offer Board training on co-op, community land trusts, and developing new revenue-generating facilities.** Unless there is pending action expected in the next several months on the HRA’s potential involvement in a community land trust or co-op, the HRA may choose to delay “training” until later. However, in the short term, the HRA could invite a representative from the Rice County Community Land Trust working group to update the HRA on the working group’s efforts.

Mid-Term Actions (October 2026 - October 2027)

- ★ 5. **Bring in a consultant and/or a developer around co-op and/or community land trust development and frame what this could look like in Faribault.** The Rice County Community Land Trust is currently working on developing a community land trust. At an appropriate time, a representative from the working group can update the HRA on its efforts.
- ★ 6. **Explore intergenerational co-living/home-sharing models and what they could look like in Faribault.** The HRA may choose to consider very preliminary ideas for co-living/home-sharing models. For example, City Staff could reach out to South Central College to see whether there might be an opportunity to provide student housing through a co-living model. Again, this would be very preliminary work.
- ★ 7. **Board gains comfort and clarity with the pros/cons of a co-op model in Faribault.** It is reasonable to expect the Board to have a clear understanding of the pros and cons of a co-op development in Faribault. Ultimately, the HRA should decide what role it should play in trying to provide a new co-op development in Faribault. In other words, the HRA should consider whether it wants to facilitate others in developing additional co-op housing in Faribault or develop co-op housing itself.
- ★ 8. **Continue to meet with developers and strengthen relationships.** City Staff meet regularly with existing and potential housing developers. Staff also network with developers at housing conferences throughout the year.

- ★ **9. Explore what types of housing products are missing from the Faribault market that the HRA could develop.** The Maxfield Housing Needs Analysis identifies the types and numbers of housing products that are missing in Faribault. However, the HRA needs to carefully consider the pros and cons of developing housing rather than facilitating others in developing the missing housing.

Long-Term Actions (October 2027 - March 2028)

- ★ **10. Bond on a site for a prefabricated home subdivision or a co-op.** The HRA can bond to develop housing. However, if the HRA is truly interested in bonding by 2028, it has significant work to do starting in 2026.
- ★ **11. Successfully develop a co-op or non-co-op development.** Again, if the HRA is truly interested in being a developer and having a successful housing development by 2028, it has significant work to do in 2028.
- ★ **12. Continue to meet with developers and strengthen relationships.** City Staff regularly meet with housing developers.

Success Indicators by 2028

- 1. Five percent rental vacancy rate and a four to six-month supply of owner-occupied housing units.**

Comments: This is a worthy goal, but it may not be a realistic outcome in 2028. In short, the HRA should continually strive to facilitate the development of additional housing until we meet this goal/outcome.

- 2. Establish an HRA revenue-generating property.**

Comments: The HRA developed Robinwood Manor in the mid-70s (which it recently sold), the scattered sites in the mid-80s and 90s (which the HRA will continue to own), and Trails Edge apartments in the 90s, (which it sold in 2010).

While the HRA "can" develop new revenue-generating housing. However, the HRA should discuss what revenue-generating means to the HRA.

HRA's can generally follow one of two models:

- *The HRA can develop housing that fills a gap, then sell the housing development for a profit and reinvest the profits to*

address other HRA needs. This is essentially what the HRA did with Trails Edge apartments.

- *The HRA can build, hold, and reinvest in needed housing that the market is not providing. This is the HRA's scattered sites model. If the HRA chooses to, there are opportunities to build additional scattered-site housing on existing HRA land.*

Both are legitimate models. The HRA could, for example, add to its scattered-site portfolio or develop a multi-family complex. The HRA should provide direction on how it views its desires to establish a revenue-generating property.

3. Ensure that at least one new housing development contributes to housing safety and availability.

Comments: All new housing should be safe and improve housing availability.

Options to Strengthen the HRA's Strategic Priorities

1. The Housing Needs Analysis found significant demand for all types of housing in Faribault, including affordable and subsidized housing. The HRA's Strategic Priorities appropriately focus on the "development of permanent and/or non-traditional housing," which could help address Faribault's affordable and subsidized housing needs. However, new housing development, especially affordable or subsidized rental housing, often faces pushback from the public and elected officials. **The HRA may want to add actions to raise awareness and understanding of the need for all types of housing, including affordable and subsidized housing.**
2. The Housing Needs Analysis found that development costs are a significant barrier to the creation of new housing. **The HRA may want to add actions to work with the Planning Commission, City Council, Developers, and others to refine Faribault's Unified Development Ordinance to allow for affordable development options (e.g., reducing the required side-yard setback).**
3. The HRA's Strategic Priorities include bonding to develop a prefabricated home subdivision or co-op. The HRA also states it will develop a co-op or non-co-op in the next three years. However, there are many ways the HRA can facilitate new housing without bonding or developing the property. For example, the HRA can help buy down land costs to incentivize a needed type of housing that would not

otherwise occur. Alternatively, the HRA could buy blighted or dilapidated property, remove the buildings, and sell the property to a developer at a significant discount, if the developer develops needed housing. **In other words, the HRA may want to view its role as facilitating development rather than developing new housing over the next two to three years.**

4. In addition to significant demand for affordable and subsidized housing, there is also growing demand for senior housing, housing in downtown areas, and other specialized housing. **Although the HRA appears to target the need for a prefabricated home subdivision or co-op, the HRA may also want to narrow its focus to affordable, senior, or other types of housing.**
5. The HRA currently has underutilized land associated with its scattered-site properties. **If the HRA wants to develop housing in the next two to three years, it could consider building additional subsidized housing on the property it already owns.**

PRIORITY 2: PROMOTE HOUSING STABILITY THROUGH TARGETED ASSISTANCE

The HRA intends to ensure safe, reliable housing for Faribault residents, which will likely require working with its strategic partners.

Housing Needs Analysis Findings

The Housing Needs Analysis briefly notes that some people in Faribault are unsheltered. **However, the Analysis was not intended to help guide the HRA on how to address unsheltered residents.** Consequently, the only Housing Needs Analysis findings related to Priority 2 are that the HRA's partners (like Community Action Center and Three Rivers) assist those in need, and that the HRA has helped by providing funding to its partner organizations. Currently, the HRA relies on its partners to monitor and address the needs of unsheltered people in Faribault. The HRA can support its partners by providing limited and targeted financial assistance.

HRA Actions Through 2028

The HRA's adopted Strategic Priorities Report states that it will take the following actions in the next two to three years.

Short-Term Actions (By September 2026)

- ★ 1. **Initiate conversations with CAC, Three Rivers, and others to better understand community needs.** The HRA currently has

strong relationships with CAC, Three Rivers, HCI, Habitat for Humanity, Rice County, and others. The HRA will continue to strengthen these relationships.

Mid-Term Actions (October 2026 - October 2027)

- ★ **2. Evaluate if a secondary funding source is needed to support community needs.** The HRA understands that housing stability needs will exceed the funding it can provide. The HRA alone cannot address all housing stability needs in Faribault. It can, however, work with its partners to apply for, or contribute to, secondary funding to address housing stability needs.
- ★ **3. Pilot a funding project, using quarterly data measures.** The HRA recently approved funding for CAC to distribute short-term emergency rental assistance to Faribault residents as needed to help ensure housing stability. The HRA is also funding Three Rivers to address housing stability in Faribault’s manufactured home communities – that work involves quarterly data measurement reports.
- ★ **4. Develop a funding program that embodies short-term support, versus long-term enablement.** The HRA approved a short-term emergency rental assistance funding program. However, the HRA can work with other partners to provide one-time or recurring support.

Long-Term Actions (October 2027 – March 2028)

- ★ **5. Evaluate if the pilot program works and if it merits continuing.** The HRA currently requires Three Rivers to provide quarterly reports on its HRA funding to assist manufactured home community residents with home improvements. The HRA reviews the quarterly reports and will decide at the end of 2026 whether to extend the program for another year.

Success Indicators by 2028

- 1. The number of individuals who have unmet needs in the Faribault area stabilizes or decreases.** The HRA’s partner organizations have general information regarding the number of unsheltered people in Faribault. The HRA can tie this information to funding requests from the HRA’s partner organizations. In addition, the HRA should explore other measurement options, including but not limited to, the City’s survey efforts.

- 2. Financial assistance programs have defined eligibility criteria and intended outcomes.** Currently, the HRA addresses eligibility and expected outcomes in its Agreements with partner organizations.
- 3. Assistance is structured to support short-term stabilization (not long-term dependency).** To date, the HRA and its partner organizations have acknowledged that the HRA's financial support is intended to help people overcome short-term challenges in their housing situations. It is not intended to serve as a mechanism for individuals who need long-term funding for stable housing.

Options to Strengthen the HRA's Strategic Priorities

1. Currently, the HRA provides CAC with funding to administer and distribute emergency rental assistance, it provides Three Rivers with funding to help repair and maintain manufactured home communities, and it provides funding for the Hope Center. **The HRA may simply continue its current practice, which involves providing funding tied to specific outcomes, or it could provide additional funding to additional programs.**

PRIORITY 3: PRESERVE AND REHABILITATE EXISTING HOUSING

Roughly 20% of Faribault's housing stock was built before 1940. While some older housing is in good condition, much of the available older housing in Faribault needs rehabilitation, and the cost of that work prevents some people from buying a home. Furthermore, existing homeowners may not be able to afford the maintenance required for their homes. As a result, Faribault's housing stock may continue to deteriorate. The HRA intends to develop and implement programs to preserve and rehabilitate existing housing.

Housing Needs Analysis Findings

The Housing Needs Analysis describes the age of Faribault's housing stock and the need to preserve and rehabilitate existing housing. It also includes a significant section on existing housing programs, many of which can assist communities and homeowners with housing rehabilitation. Such programs include but are not limited to Statewide Affordable Housing Aid (SAHA), the Low- and Moderate-Income Rental Program (LMIR), the Workforce and Affordable Homeownership Development Program, the Low Income Housing Tax Credit (LIHTC) program, Community Development Grant (CDBG) funds, and USDA Rural Development funds.

HRA Actions Through 2028

The HRA's adopted Strategic Priorities Report states that it will take the following actions in the next two to three years.

Short-Term Actions (By September 2026)

- ★ **1. Establish a baseline criteria for programs.** The HRA has several existing programs and has discussed creating new ones. The HRA should determine which existing programs align with its stated vision, mission, and strategic priorities, and create new programs as needed.
- ★ **2. Identify priority neighborhoods where programs could be targeted.** The HRA's existing Housing Rehabilitation Program is limited to specific transportation corridors. Again, in 2023, the HRA directed that the program should be revised to apply to all single-family residences in the community. Nevertheless, the HRA should discuss whether it wants to target its limited funds to certain neighborhoods.
- ★ **3. Develop a rehabilitation program with a forgivable component.** The HRA's existing Housing Rehabilitation Program provides rehabilitation loans that homeowners must repay when they sell the house. However, Staff's recent review of the program suggests that the HRA could offer a forgivable loan at five percent annually over 20 years.
- ★ **4. Develop a home rehabilitation loan program.** The HRA needs to weigh the pros and cons of various rehabilitation loan program options before finalizing a program. The HRA currently has \$60,000 budgeted for a rehabilitation loan program.
- ★ **5. Explore the development of a down payment assistance and/or first-time homebuyer program.** The HRA needs to weigh the pros and cons of various down payment assistance programs before finalizing a program. The HRA currently has a \$60,000 budget for a down payment assistance program.

Mid-Term Actions (October 2026 – October 2027)

- ★ **6. Launch and accept applications for a home rehabilitation program.** Developing and launching a rehabilitation program can and should be completed by October 2027. It will be very important to inform all residents, realtors, and home contractors about the program.

- ★ 7. **Develop a downpayment assistance and/or first-time homebuyer program.** Developing and launching a downpayment assistance program can and should be completed by October 2027. It will be very important to inform all residents, realtors, and home contractors about the program.
- ★ 8. **Build awareness through marketing and storytelling of programs and their successes.** Building broad awareness and understanding of the rehabilitation and down payment assistance programs will be crucial to the program’s success.
- ★ 9. **Spread awareness of programs through faith-based communities.** It appears the HRA wishes to emphasize working with faith-based communities to spread awareness of the programs. While this is important, the HRA must ensure it spreads awareness of the programs through many different channels.

Success Indicators by 2028

- 1. **There are visible improvements in curb appeal and housing conditions at a neighborhood level.** This outcome will be most evident if the HRA focuses the rehabilitation program on specific corridors or neighborhoods.
- 2. **Rehabilitation programs are accessible, well-utilized, and clearly understood by community members.** This outcome requires a well-orchestrated marketing campaign.
- 3. **Existing housing stock is stabilized, remains better maintained, and is safer as a result of HRA-supported programs.**

Options to Strengthen the HRA’s Strategic Priorities

- 1. The HRA appears to be focusing its rehabilitation efforts on single-family owner-occupied housing. However, as the Housing Analysis Needs show, a significant share of Faribault’s housing consists of rental properties and manufactured home communities. **Perhaps, after re-establishing the HRA’s rehabilitation program, the HRA may want to explore expanding the program to rental properties as well.**
- 2. The HRA should promote existing rehabilitation programs offered by its partners and by federal and state programs, and avoid duplicating them. **The HRA may want to include actions to evaluate existing**

programs from others and develop new HRA rehabilitation programs that fill known gaps.

PRIORITY 4: STRENGTHEN STRATEGIC PARTNERSHIPS

The HRA acknowledges that it cannot address all housing and redevelopment issues on its own. The HRA intends to focus its resources and efforts where they will add the most value. Currently, the HRA is working with CAC on emergency rental assistance and Three Rivers on manufactured home community maintenance needs. The HRA will continue to work with other organizations to help address the community's housing and redevelopment needs that the HRA cannot address on its own.

Housing Needs Analysis Findings

The Housing Needs Analysis states that any new housing for low- to moderate-income households is almost certain to require assistance beyond what the household can provide. In particular, the Analysis identifies federal and state programs that can provide technical and financial assistance.

HRA Actions Through 2028

The HRA's adopted Strategic Priorities Report states that it will take the following actions in the next two to three years.

Short-Term Actions (By September 2026)

- ★ 1. Have conversations with Habitat for Humanity and faith-based communities around a Rock the Block initiative.** It appears the HRA wants to develop a Rock the Block initiative that would presumably improve specified residential blocks. The HRA should know that most residential blocks have a mix of homestead and non-homestead properties. Yet, the HRA notes that it intends to focus its rehabilitation efforts on single-family owner-occupied housing.

The HRA would like to partner with Habitat for Humanity and faith-based communities to develop and implement the program. However, many other partners and programs can also address the HRA's intentions. For example, at one time, Minneapolis had a Neighborhood Revitalization Program that provided funding to help neighborhoods identify and address their needs. Perhaps the HRA could work with the City's Nite to Unite efforts to improve residential neighborhoods. In short, the HRA may want to explore a variety of options and partners.

- ★ 2. **Continue financial support of non-profit organizations, such as Hope Center, CAC, Three Rivers, Habitat for Humanity, and others.** The HRA is currently doing and will regularly review its support as it sets its annual budget.
- ★ 3. **Host a roundtable with faith-based communities, HRA, and other non-profits to understand opportunities for collaboration.** CAC, HCI, and others already bring together government and non-profits to identify housing and other issues and opportunities. This group meets several times a year and has City representation. The HRA should consider being a part of this existing group rather than starting or hosting a separate roundtable or organization.

Mid-Term Actions (October 2026 – October 2027)

- ★ 4. **An HRA board member is appointed who represents a community-based organization, which may include faith-based, cultural, non-profit, or other civic organizations.** The City Council reviews applications for and makes appointments to the HRA Board. The HRA may want to prepare an overview of the desirable qualifications for the Board that the Council can refer to when considering Board appointments.

Long-Term Actions (October 2027 – March 2028)

- ★ 5. **Explore the feasibility of forming a co-op or neighborhood creation with a faith-based community as a financial partner.** The HRA should explore options and provide direction on how to proceed with this action.

Success Indicators by 2028

- 1. **Overlap and duplication with partner organizations are reduced.** It benefits all parties to address housing needs cooperatively. This will require more meetings with the HRA’s partners.
- 2. **The HRA has a reputation as a collaborative and reliable partner.**
- 3. **Regular communication and coordination occur among key community-based organizations.**

Options to Strengthen the HRA’s Strategic Priorities

1. Faribault has significant housing needs that can only be solved through partnerships. However, the HRA does not need an ownership stake in a housing development to partner with others. **The HRA may want to prioritize other partnerships before pursuing ownership partnerships.**

PRIORITY 5: REPLACE BLIGHT WITH HOUSING

The HRA has the authority to address blighted properties throughout the community. However, its strategic priorities focus primarily on addressing blight in single-family owner-occupied housing units. Nevertheless, if the right opportunity presents itself, the HRA may consider its involvement in helping address a blighted housing situation (for example, in the downtown area).

Housing Needs Analysis Findings

The Housing Needs Analysis identifies that roughly 20% of Faribault's housing stock was built before 1940. Consequently, many of those units need repair, improvement, or replacement. The Analysis includes a significant section on funding opportunities through various federal and state programs that could help the HRA address blight issues.

HRA Actions Through 2028

The HRA does not have specific actions related to blight remediation.

Success Indicators by 2028

1. **The HRA's resources are focused primarily on reducing blight by stabilizing existing single-family housing stock.** The HRA has chosen to focus on stabilizing existing single-family owner-occupied housing over the next two to three years. As the HRA makes progress on its strategic priorities, it may want to begin addressing non-homestead residential units, other redevelopment projects, and blighted properties.
2. **Downtown redevelopment efforts supported by the HRA clearly align with housing as a primary outcome.** The HRA has historically addressed blight throughout the community. In some cases, they have demolished unsafe downtown buildings and converted the property into parking for downtown residences and businesses. In other cases, the HRA has helped address blighted properties that did not specifically involve housing. Nevertheless, over the next several years, the HRA intends to address blight only if housing is a primary outcome.

- 3. Blight remediation contributes to improved housing stability.** Over the next several years, the HRA intends to focus on blight remediation related to single-family owner-occupied housing.
- 4. Investments are evaluated based on housing impact, not solely economic development outcomes.** Presumably, the HRA will focus only on the housing portion of blight remediation.

Options to Strengthen the HRA's Strategic Priorities

- 1. The HRA is primarily focused on stabilizing single-family owner-occupied housing. While this is an appropriate goal, a considerable amount of rental housing exists in Faribault. Once the HRA works to reduce blight by promoting single-family owner-occupied housing, it may also wish to turn its attention to blighted rental and multi-family properties.**
- 2. The HRA may want to purchase and clear blighted properties, then sell the properties to a developer with clear expectations to develop housing that meets the specific needs identified by the HRA.**

Again, the HRA should view its strategic actions as a living document that guides its mission, vision, and priorities. The HRA may not realize some of its adopted strategic actions as written, or may not realize them within the timeframe identified. However, the HRA must continually strive to advance its mission and move toward its vision.



Request for Action

TO: Faribault Housing & Redevelopment Authority

FROM:

THROUGH: David Wanberg, Director of Community and Economic Development

MEETING DATE: May 11, 2026

SUBJECT: Robinwood Manor Closeout Update

BACKGROUND:

The Elderly Housing Corporation (EHC) is meeting prior to the HRA's regular meeting with the purpose of considering a resolution to start the dissolution process for the organization. Assuming this is approved, the City Attorney will file the articles of dissolution with the Secretary of State's Office, which will have a 60–90 day approval process. After dissolution has been completed, the assets of the Elderly Housing Corporation (all cash) are turned over to the HRA to fulfill the statutory mission of the HRA. Expenses related to Robinwood and the costs of dissolution will continue to be paid from the cash until dissolved. Given this timeline, it is recommended that the HRA board not plan any expenditures of the cash from the sale of Robinwood until after EHC is dissolved.

Another piece of updating on Robinwood and closing out the operations is to provide an unaudited financial report for the 2025 year-end, which is attached with this item. The year ended with an unreserved fund balance of more than \$1.7 million with about \$370,000 of that amount consisting of the capital assets associated with the property. The due to other governments is also a bit misleading, as that was funds "loaned" to Robinwood from EHC, totaling \$472,924.15. Otherwise, revenues came in 23% higher than budgeted, and \$60,000 more than the prior year, with rent and federal rent subsidies being the largest source of revenue. Expenditures were slightly under budget, with building maintenance and management services comprising 60% of the total expenditures.

An updated financial report will be provided at the meeting if ready to be distributed by Finance.

REQUESTED ACTION:

Receive and place on file

ATTACHMENTS:

1. Robinwood 2025 Year End

Org	Object	Description	2025 Revised Budget	2025 Actual	2025 %
898	10100	Cash		1,776,149.92	
898	10125	CashEscrow-Security Deposits		14,180.24	
898	10410	Invest – FMV Adjustment		0.00	
898	10450	Interest Receivable on Invest		0.00	
898	11500	Accounts Receivable		7,310.80	
898	11520	AR – Collections		0.00	
898	11600	Accounts Receivable - Misc		0.00	
898	13100	Due from Oth Funds		89,170.00	
898	13200	Due from Oth Governments		0.00	
898	13600	Rent Receivable		0.00	
898	13610	Uncollectible Rents		0.00	
898	15500	Prepaid Items		0.00	
898	16100	Land		62,426.00	
898	16200	Building & Improvements		1,904,047.00	
898	16210	Acc Dep – Buildings		-1,693,499.19	
898	16300	Improvement Oth than Building		226,297.00	
898	16310	Acc Dep – Oth Imp		-73,119.67	
898	16400	Machinery & Equipment		86,643.00	
898	16410	Acc Dep – Mach & Equip.		-80,399.61	
898	16500	Construction in Progress		0.00	
898	16800	Capital Asset - Contra		0.00	
898	20110	Unclaimed Property		0.00	
898	20200	Accounts Payable		-15,542.45	
898	20201	ACI Accounts Payable		0.00	
898	20205	Accounts Payable Miscellaneous		0.00	
898	20210	Payment In Lieu Taxes Payable		-8,748.54	
898	20600	Contract Payable		0.00	
898	20610	Contract Payable Retainage		0.00	
898	20800	Due to Oth Governments		-516,831.05	
898	20815	Use Tax Payable		0.00	
898	22000	Deposits		-14,440.96	
898	22200	Deferred Revenues		-1,267.00	
898	25300	Unreserved Fund Balance		-1,762,375.49	
Rbnwood	33160	Federal Grants	-239,842	-371,720.00	155
Rbnwood	36200	Oth Miscellaneous Revenue	-6,000	-2,912.70	49
Rbnwood	36210	Interest on Invest	-12,740	-27,840.13	219
Rbnwood	36211	Interest Market Value	0	0.00	0

Rbnwood	36220	Rents	-239,842	-212,427.01	89
Rbnwood	36221	Vacancies-HRA	0	0.00	0
Rbnwood	36227	Excess Utilities-HRA	-1,000	0.00	0
Rbnwood	39101	Sale of Capital Assets	0	0.00	0
Rbnwood	39110	Gain on Disposal	0	0.00	0
Rbnwood	39200	Transfer In	0	0.00	0
		Total REVENUES	-499,424	-614,900	123%
Rbnwood	42010	Supplies	23,000	1,440.29	6
Rbnwood	42210	Vehicle/Equipment Parts	0	0.00	0
Rbnwood	42230	Building Supplies	0	6,956.99	0
Rbnwood	42410	Minor Equipment & Small Tools	0	1,132.74	0
Rbnwood	43010	Auditing & Accounting Services	0	0.00	0
Rbnwood	43040	Legal Fees – Civil Process	1,000	4,295.20	430
Rbnwood	43060	Contract Labor	0	28,986.29	0
Rbnwood	43070	Management Services	115,000	167,672.12	146
Rbnwood	43090	Expert & Professional Services	13,000	16,850.00	130
Rbnwood	43095	Software Maintenance & Support	3,060	0.00	0
Rbnwood	43210	Telephone	0	0.00	0
Rbnwood	43250	Other Communications	900	0.00	0
Rbnwood	43410	Advertising	500	0.00	0
Rbnwood	43610	Insurance & Bonds	15,189	11,441.76	75
Rbnwood	43810	Electric Utilities	26,000	38,031.45	146
Rbnwood	43820	Water Utilities	2,200	9,116.91	414
Rbnwood	43830	Gas Utilities	15,000	10,095.69	67
Rbnwood	43840	Refuse Disposal	3,500	3,799.06	109
Rbnwood	43850	Sewer Utilities	3,100	0.00	0
Rbnwood	43860	Storm Water Utilities	750	0.00	0
Rbnwood	44010	Building Maintenance	95,000	112,085.00	118
Rbnwood	44040	Vehicle Equip & Mach Repairs	0	777.85	0
Rbnwood	44050	Extraordinary Maintenance	158,000	0.00	0
Rbnwood	44060	Laundry Services	900	109.69	12
Rbnwood	44160	Rents / Leases	0	0.00	0
Rbnwood	44200	Depreciation	0	59,236.47	0
Rbnwood	44320	Bad Debt	0	0.00	0
Rbnwood	44325	Bank Fees & Charges	0	0.00	0
Rbnwood	44330	Dues and Subscriptions	0	250.00	0
Rbnwood	44370	Miscellaneous Charges	0	520.15	0
Rbnwood	44390	Taxes & Licenses	18,200	9,302.54	51
Rbnwood	44450	Claims & Damages	0	0.00	0

Rbnwood	44700	Interest	200	0.00	0
Rbnwood	45950	Loss on Disposal	0	0.00	0
Rbnwood	46020	Oth LT Obligation Prncpl	0	0.00	0
Rbnwood	46120	Loan Interest	0	0.00	0
Rbnwood	46200	Fiscal Agent Fees	0	0.00	0
Rbnwood	47200	Transfer Out	0	0.00	0
		Total EXPENDITURES	494,499.00	482,100.20	97%

2024 Actual	
1,184,617.75	
14,652.25	
0.00	
0.00	
2,587.00	
0.00	
0.00	
89,170.00	
362,767.00	
0.00	
0.00	
0.00	
62,426.00	
1,904,047.00	
-1,659,176.00	
226,297.00	
-49,911.00	
86,643.00	
-78,695.00	
0.00	
0.00	
0.00	
-21,030.00	
0.00	
0.00	
-6,871.00	
0.00	
0.00	
-472,924.15	
0.00	
-14,476.00	
-548.00	
-1,629,575.85	
-353,864.00	
-9,034.00	
-608.00	
0.00	

Balance Sheet Accounts

ounts

-190,866.00	Revenue Accounts
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
-554,372	
	Expenditure Accounts
11,009.51	
2,565.00	
86,342.00	
0.00	
14,600.00	
0.00	
0.00	
71,180.00	
32,231.00	
0.00	
340.00	
0.00	
0.00	
11,040.00	
32,617.00	
9,047.00	
7,347.00	
4,093.00	
0.00	
0.00	
22,027.00	
0.00	
0.00	
0.00	
0.00	
59,236.00	
7,194.00	
-15.00	
0.00	
14,615.00	
6,607.00	
0.00	

39.00	
0.00	
0.00	
0.00	
0.00	
0.00	
392,114.51	



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Jessica Kinser, City Administrator
THROUGH: David Wanberg, Director of Community and Economic Development
MEETING DATE: May 11, 2026
SUBJECT: Update on HRA Executive Director Position

BACKGROUND:

Attached with this memo is the job description for the HRA Executive Director that was approved by the HRA board in 2024. We will present an updated version at the meeting, but do not foresee any major changes being needed.

After coming to agreement on what the job description should look like, the City's HR staff will post the job description. Based on that date, coordination will happen with the volunteers for the interview process.

REQUESTED ACTION:

Review and discuss; approve a modified job description to be posted.

ATTACHMENTS:

1. HRA Executive Director 2024

**CITY OF FARIBAULT
POSITION DESCRIPTION**

Position Title: Executive Director of HRA
Department: Community and Economic Development
Reports To: Community and Economic Development Director
FLSA Status: Exempt
Date: May 2024

PRIMARY OBJECTIVES OF THE POSITION

To provide overall visioning, planning, leadership for, and ongoing evaluation of the Housing and Redevelopment Authority (HRA) of the City of Faribault, in a manner that consistently achieves and advances the organization’s mission to address the housing, and redevelopment needs of the City’s residents.

ESSENTIAL FUNCTIONS OF THE POSITION

HUD/Public Housing Management

- Oversees/supervises the management firm providing services for the HRA’s housing units, which includes 51 multi-family units for senior or disabled residents and 49 scattered project-based voucher units.
- Addresses tenant complaints related to the services of the management firm.
- Implements a tenant retention program.
- Works with the Rice County HRA on any questions/issues related to the income qualification and waiting list services provided.
- Participates in any HUD or other inspections of Faribault HRA properties
- Ensures compliance with HUD rules and regulations as well as completes required HUD reports for the Faribault HRA.
- Submits all financial information to HUD.
- Ensures deposits, rental payments, and all other charges are collected.
- Monitors property accounting and collections records and addresses issues with the management firm.
- Maintain any HUD regulations and policies.

Redevelopment/Non-Public Housing

- Assists in creating and administering redevelopment programs and incentives, including but not limited to owner-occupied single-family home rehabilitation loans and downtown housing improvements.
- Develops and maintains strong relationships and open communication with manufactured home communities, including working with others to provide manufactured home repairs.
- Works with potential housing developers to promote housing development in Faribault.

General Administration

- Serves as staff coordinator/liaison for the HRA Board, including preparing meeting packets and meeting attendance and development of strong working relationships with HRA Board members.
- Ensures all accounts payable transactions are reviewed before being sent to the management firm for processing and preparation of a claims list; directs payment after board approval.
- Creates the annual operating budgets for the HRA and public housing funds.
- Monitors budget activity, including forecasting of revenues and expenditures.
- Codes revenues to the appropriate funds, whether received by the City of Faribault or sent to the management firm.

MINIMUM QUALIFICATIONS

Education and Experience:

Bachelor's degree in Housing, Business, Public Administration, Social Work or related field, with a minimum of five (5) years of housing, economic development, finance, or community development-related experience required. An equivalent combination of experience and/or education is acceptable.

PREFERRED QUALIFICATIONS

- Working knowledge of the principles and practices of community development, economic development, redevelopment and public finance.
- Working knowledge of federal and state housing rules and regulations.
- Ability to accurately record and maintain records.
- NAHRO/HUD training or willingness to take such training.
- Public Housing Manager Certification.
- Ability to communicate effectively verbally and in writing.
- Proficiency in use of identified computer software.

WORKING HOURS:

Normal business/office hours are from 8:00 a.m. to 4:30 p.m., Monday through Friday. Position will require flexibility in future scheduling to include any hours at the employers' discretion for appropriate coverage and efficiency for early morning or evening meetings as necessary.

TOOLS AND EQUIPMENT USED:

Tools and equipment used in a Community Development environment including, but not limited to: computers, Microsoft Office, Laserfiche, Granicus software systems, typewriters, faxes, copiers, phones, and calculators.

PHYSICAL DEMANDS:

Requires the ability to operate, maneuver and/or control the actions of office equipment, tools, and/or materials used in performing essential functions. Tasks involve the ability to exert light physical effort in light to sedentary work, but which may involve some lifting, carrying, pushing and/or pulling of objects and materials

of light weight (5-10 pounds). Tasks may involve extended periods of time at a keyboard or workstation. Ability to recognize and identify degrees of similarities or differences between characteristics of colors, shapes, sounds, odors and textures associated with job-related objects, materials and tasks. Some tasks require the ability to perceive and discriminate sounds.

ENVIRONMENTAL ADAPTABILITY:

Normal office environment. Tasks are performed without exposure to adverse environmental conditions.

KNOWLEDGE, SKILLS AND ABILITIES

Ability to deal with several concrete and abstract variables, and to analyze major problems that require complex planning for interrelated activities that can span one or several work units.

Requires the ability to exercise the judgement, decisiveness and creativity in situations involving the direction, control and planning of an entire program or set of programs.

Requires the ability to perform addition, subtraction, multiplication and division; ability to calculate decimals and percentages; may include ability to perform mathematical operations with fractions; may include ability to compute discount, interest, profit and loss, ratio and proportion; may include ability to calculate surface areas, volumes, weights and measures.

Requires the ability to evaluate, audit, deduce, and/or assess data and/or information using established criteria. Includes exercise of discretion in determining actual or probable consequences, and in referencing such evaluation to identify and select alternatives.

Requires the ability to apply principles of persuasion and/or influence.

Requires the ability to utilize a wide variety of reference, descriptive, advisory and/or design data and information such as ordinances, statutes, development plans, and policies.

NOTE: This job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

The City of Faribault is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.