



Discussion Item

TO: Faribault Housing and Redevelopment Authority
FROM: Deanna Kuennen, Com & Econ Dev Director
MEETING DATE: December 13, 2021
SUBJECT: 1116 2nd St NW

PURPOSE: Provide an update to the HRA on the sale of 1116 2nd Street to Theodore Krause.

At the August meeting the HRA approved the sale of 1116 2nd Street to Mr. Theodore Krause, who lives at 1120 2nd Street NW – in the amount of \$25,000. Krause proposes to demolish the existing garage and build a new house for his family to live in. Mr. Krause would then rent his existing house to a low-income family (at or below 80% of the Rice County Area Median Income as determined by HUD) for no more than the Rice County Fair Market Rent for 3 years. The current income and rent limits are as follows:

HH Size	1	2	3	4	5	6	7	8
Income Limit	48,450	55,350	62,250	69,150	74,700	80,250	85,750	91,300

Bedroom Size	2	3	4
Fair Market Rent	904	1,242	1,307

Since the public hearing, Staff has been working with the City Attorney to prepare all necessary closing and recording documents. The buyer has agreed to all terms in the agreement. No closing date is set as of yet. Initially the delay was in obtaining the completed title work which took longer than anticipated. The title was not “clean” – and now the City Attorney is working with the Rice County Recorder’s Office to address the issues identified. It is necessary to have a clean title prior to the sale of the property. Mr. Krause is aware, and we are still working towards a 2021 closing.