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For immediate release

County seeks developer to help launch workforce housing project

Rice County leaders have made the first move in their plan to add to the county's housing stock.

The Board of Commissioners, acting as the Housing & Redevelopment Authority, on Tuesday authorized a request for proposals asking developers to submit plans to build up to six four-bedroom units on about 1.5 acres just north of the planned Public Safety Center in Faribault.

The finished homes will be sold to individuals making up to 115% of the median Rice County income, about \$100,000/year for a family of four. County Administrator Sara Folsted said covenants will ensure the homes remain affordable for the average Rice County worker even when they're sold.

"We want to make sure this is a lasting investment of public dollars," she said.

When county officials announced they'd purchased 109 acres off Hwy. 3 for the Safety Center in late 2021, they suggested part of the land could be used for housing. While several new apartment buildings have sprung up in Northfield and Faribault in the last couple of years, both cities have had trouble attracting owner-occupied residential development. Developers are generally seeing a higher profit in the metro, making few willing to invest in Rice County where housing prices are typically lower.

Once the HRA selects a developer, county Housing Director Joy Watson will work with human services organization Three River Community Action in Zumbrota to put together a proposal requesting financing assistance from the state's housing finance agency. A decision from the agency won't come until December.

Watson on Tuesday said the agency will fund projects with up to six homes, though the county will set aside about 7 acres in all for a residential development. It's hoped that the initial construction will attract additional developers, but what the final product looks like will depend on the developer selected next month and future interest in the neighborhood.

"One of the goals for that piece of land is to expand housing opportunities," said Watson.

Though Watson suggested townhomes will likely be proposed in the county's application for state financing assistance, both she and Commissioner Steve Underdahl said they would like single-family homes as part of the development.

"If the project's approved," Watson said, things can change. But we do need a framework."

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