



## MINUTES

**Mankato Economic Development Authority  
Regular Meeting  
January 13, 2025 - 7:05 p.m.  
IGC - Mankato Room**

1. **Call Meeting to Order**

**Members Present:** Mike Laven, Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, Jessica Hatanpa, Kevin Mettler, and Chair Najwa Massad.

**Staff Present:** Executive Director Susan Arntz, Community Development Director Mark Konz, Associate Director of Housing and Economic Development Nancy Bokelmann, and City Clerk Renae Kopischke.

2. **Approval of Agenda**

Ms. Hatanpa moved and Mr. Mettler seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

Ms. Melby-Kelley moved and Mr. Dieken seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of December 9, 2024 as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Ms. Bokelmann reported that staff were contacted by the Minneapolis HUD Field Office and the Pipestone HRA to consider the consolidation of the Pipestone HRA's Housing Choice Voucher program into our program. She stated that the Pipestone HRA has an allocation of 53 vouchers (23 leased and eight families on their wait list) and has had substandard ratings for several years due to the underutilization of their vouchers. She noted that the two multi-county HRAs in southwestern MN have considered consolidation but, under new leadership, do not have the capacity to expand their voucher programs.

Ms. Bokelmann indicated that a consolidation would allow the vouchers to be utilized in Blue Earth County, as currently, the Mankato EDA is in shortfall funding, using 100% of the program budget for 89% of the allocated vouchers with 917 families on the waiting list. She added that in addition to considering these vouchers, the EDA has applied for 25 Bridges vouchers through MN Housing and anticipates 80 -90 vouchers through MN Housing's Bring It Home Voucher Program. She commented that these additional vouchers expand affordable housing opportunities in the community and are supported by the Affordable Housing Action Plan and the Strategic Plan for the city.

Ms. Bokelmann explained that to consolidate the vouchers, HUD requires a contractual relationship with the Pipestone HRA or another entity to assist the EDA in the administration of vouchers in Pipestone County. She mentioned that the EDA will need to contract for services with the Pipestone HRA to conduct necessary inspections and assist in coordinating certifications that would best meet participant needs in Pipestone County due to the distance between our jurisdictions. She stated that a Pipestone preference would be utilized and prioritize families that could be served under contract with the Pipestone HRA. She concluded that information on the next steps for a consolidation would be provided by the Minneapolis HUD Field Office, including consideration of which entity, the Mankato EDA or Blue Earth County EDA, would be recommended for consolidation.

Ms. Hatanpa moved and Mr. Mettler seconded a motion for staff to proceed with the Minneapolis Field Office and Pipestone HRA in considering a consolidation. The motion carried unanimously.

- B. Ms. Bokelmann stated that the United States Department of Housing and Urban Development requires the annual review and adjustment, if required, of tenant-furnished utilities. She noted that utility allowances are based on reasonable consumption of energy for conservative families to provide essentials needed to provide a living environment that is safe, sanitary, and healthful. She summarized the analysis method used and indicated that this year's analysis was conducted by The Nelrod Company.

Ms. Bokelmann indicated that the utility allowance schedule was adjusted using the latest HUD projections where needed, and the new rates show slight decreases in electric and gas rates and increases in water and sewer rates. She summarized that the use of this schedule provides average utility costs for participants who pay their own utilities and streamlines efficiency in calculating rent subsidies using standard rates under the Housing Choice Voucher program, Public Housing and other affordable housing projects that access these schedules throughout the county.

Ms. Bokelmann noted that the allowances are based on typical costs of utilities paid by energy-conservative households that occupy housing by size and type in a community. She added that the PHA must use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the family unit size as determined under the PHA subsidy standards.

Mr. Dieken moved and Ms. Melby-Kelley seconded a motion approving the Resolution adopting the EDA Housing Choice Voucher Program Utility Allowance Schedule. The motion carried unanimously.

- C. Ms. Bokelmann stated that the Mankato Economic Development Authority (EDA) operates a public housing portfolio of 179 units and approved the conversion of 49 scattered site units from the Section 9 Public Housing program through the Section 18 Disposition program into long-term, Project-Based Section 8 rental assistance that provides a stable and predictable annual subsidy on December 11, 2023.

Ms. Bokelmann commented that through this disposition, the EDA agreed to sell the 49 scattered-site public housing units to the City of Mankato for less than fair market value and the city will continue to serve low-income households under the Section 8 Project-Based Voucher Program administered by the EDA.

She mentioned that under the disposition, the units will be subject to a Declaration of Restricted Use Agreement requiring the rental properties to serve low-income households for a term of 30 years, with such use agreement to be a recorded covenant running with the land and binding on successors and assigns of the city.

Mr. Laven moved and Mr. Mettler seconded a motion setting February 10, 2025, as the date of public hearing to consider the conveyance of 49 public housing units under the Section 18 Disposition program to the City of Mankato. The motion carried unanimously.

5. **Reports/EDA Comments**

None.

6. **Adjournment**

There being no further business, Mr. Laven moved and Ms. Hatanpa seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:22 p.m.

Prepared by:

Approved by:

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Renae Kopischke  
City Clerk

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Najwa Massad  
Chair