AGENDA

Economic Development Authority
Monday, March 10, 2025
(following the Council Meeting at 6 p.m.)
IGC/Atrium - Mankato Room

1. **Call Meeting to Order**

2. **Approval of Agenda**

3. **Approval of Minutes**

   Economic Development Authority Meeting of February 10, 2025

4. **Economic Development Authority Business**

   A. Resolution authorizing Letter of Intent to HUD for consolidation of the Pipestone HRA Housing Choice Voucher Program.

   B. Resolution authorizing application to the Minnesota Housing Bring It Home Rental Assistance Program Request for Proposals.

   C. Resolution authorizing the Executive Director to enter into a Memorandum of Understanding with the Southwest MN Housing Partnership and Blue Earth County Human Services for the administration of Continuum of Care funding at Cherry Ridge Apartments.

   D. Resolution approving acquisition of certain property owned by the Housing and Redevelopment Authority of Mankato.

5. **Reports/EDA Comments**

6. **Adjournment**

MINUTES

Mankato Economic Development Authority
Regular Meeting
February 10, 2025 - 6:46 p.m.
IGC - Mankato Room

1. **Call Meeting to Order**

Members Present: Kevin Mettler, Dennis Dieken, Michael McLaughlin, and Chair Najwa Massad.

Members Excused: Jenn Melby-Kelley, Jessican Hatanpa, and Mike Laven.

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

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Mr. Mettler moved and Mr. McLaughlin seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of January 13, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Ms. Kramlinger reported that on January 8, 2024, the EDA preliminarily reviewed a request from MAH BKS, LLC for tax increment assistance for a redevelopment proposal at 830 North Broad Street for a three-story, mixed-use building. She stated that on January 22, 2024, the Council adopted a resolution setting the date of the public hearing, which was later canceled by the request of MAH BKS, LLC to further examine the project financing and feasibility.

Ms. Kramlinger summarized that the developer has revised the redevelopment plans and is now proposing to construct a new, two-story commercial building consisting of 6,784 square feet, with an estimated total project cost of $2,346,220 and construction is anticipated to occur in 2025 and 2026. She stated that it is anticipated there will be up to 25 full-time equivalent jobs created that would be associated with the new building.

Ms. Kramlinger indicated that the developer is requesting pay-as-you-go tax increment financing (TIF) from the City through the creation of a redevelopment TIF district that would be used to assist with the redevelopment of the site, including demolition, removal of paved surfaces from the public right-of-way, utility upgrades, curb-cut relocation, building pads, and soil stabilization. She added that these are additional costs as compared to developing a "greenfield" vacant site.

Ms. Kramlinger explained that the developer is documenting extraordinary costs that may be eligible for assistance under the City of Mankato's Economic Development Guidelines. She noted that the developer is seeking TIF reimbursement of up to $490,000, which includes $95,000 for building demolition, $50,000 for environmental remediation, $50,000 for public improvements, $120,000 for site improvements, and $103,800 for property acquisition associated with the completion of the project. She summarized additional details related to the public and site improvements.

Ms. Kramlinger stated that the Council's policy decision has been to limit the tax increment reimbursements to 15 years to account for the additional tax capacity to be realized before significant depreciation in the asset is realized. She commented that the anticipated principal value of the pay-as-you-go tax increment with a 15-year term is $155,000, plus 5% carrying interest costs - $81,925. She noted that the interest costs are derived to align at, or slightly below, the private financing since the developer must fund the activities upfront, and the TIF projections assume the developer will receive TIF reimbursement in the amount of $15,795/year in years 2027 through 2041.

Mikayla Hewitt, Baker Tilly, reported that, based on Baker Tilly's financial analysis and available financing assumptions, without financial assistance, the project would not be financially feasible. She stated that the analysis found the developer's return without TIF assistance was 6.09%, which is below the feasibility benchmark; therefore, Baker Tilly concluded that the project would be unlikely to proceed but for the requested TIF assistance. She added that Baker Tilly also reviewed the estimated impact on project returns with assistance for a term of reduced term of 10 years, a term of 15 years, and an increased term of 20 years which ranges between 6.90% - 7.35%.

Ms. Hewitt noted that the analysis included a review of the Debt-Coverage Ratio, which is another measure for evaluating the project feasibility, and it was found that the estimated debt coverage ratios indicate that public assistance will be required to obtain debt financing for the project.

Mayor Massad clarified that the request was for a term of 20 years versus 15 years. Discussion centered on the term of 20 years versus 15 years, and it was noted that a grant had already been awarded to the project.

The EDA reviewed the proposal and provided comments, and directed staff to prepare tax increment documents for a public hearing. They requested that the terms be adjusted to be close to the 15-year amount, if possible. It is anticipated that the public hearing could be set for February 24, 2025, for the April 14, 2025, meeting.

B. Ms. Bokelmann indicated that Minnesota Housing established a Local Housing Trust Funds Grant Program to encourage local governments to create or fund Local Housing Trust Funds. She explained that the program uses state funding to match a portion of new housing trust fund dollars to encourage local investment in affordable housing across Minnesota, and that the funds may come from any source other than the state or federal government. She summarized that the grant funds must be used for households at or below 115% of the state median income; may be used for development, rehabilitation or financing of housing, down payment assistance, rental assistance, homebuyer counseling services, administrative expenses, up to 10% of grant; and must be used within five years.

Ms. Bokelmann stated that it is recommended that the EDA consider allocating the maximum matching funds from EDA general funds in the amount of $300,000, seeking $225,000 from MN Housing's Local Housing Trust Funds grant program. She noted that if a grant is awarded, the grant agreement will be submitted to the EDA for execution, and it is anticipated that grants will be awarded in June 2025.

Mr. Dieken moved and Mr. Mettler seconded a motion to approve a Resolution to authorize an application to Minnesota Housing for the Housing Trust Fund Grant program and EDA matching funding. The motion carried unanimously.

C. Ms. Bokelmann stated that the Minnesota Assistance Council for Veterans (MAC-V) received notice that the Radichel Veteran Townhomes will not receive renewal funding for rental assistance through the Regional River Valleys Continuum of Care 2024 funding request to the US Department of Housing and Urban Development. She noted that MAC-V is requesting the use of Project-Based vouchers (PBV) for the eleven (11) units at the Radichel Veteran Townhomes to prevent the loss of housing subsidies for these veterans.

Ms. Bokelmann commented that the PBV are attached to specific units rather than using them for tenant-based rent assistance, and indicated that the EDA may use PBV to deconcentrate poverty and expand housing and economic opportunities. Currently, the EDA has used PBV for 48 of its allocated 115 PBV to expand affordable housing, leveraging Low Income Housing Tax Credit projects at Dublin Crossing, Dublin Heights, Rosa Place I & II, Sinclair Flats, and in coming months at Lewis Lofts.

Ms. Bokelmann explained that MAC-V's request for the use of PBV at the Radichel Veteran Townhomes can provide long-term affordable housing assistance which, in the past, has had to be renewed each year. She noted that the assistance has flexibility and benefits for renters and can be transferred to a renter when they move as part of the HCV program, ongoing attrition, as well as remaining project-based in the unit for the next household. She added that it also provides additional benefits for the renter with access to self-sufficiency and homeownership programs.

Mr. McLaughlin moved and Mr. Mettler seconded a motion recommending the use of project-based Housing Choice Vouchers for the MAC-V Radichel Veteran Townhomes. The motion carried unanimously.

D. Ms. Bokelmann commented that the EDA approved at their January 13, 2025, meeting to set February 10, 2025, as the date of public hearing to consider the conveyance of 49 Public Housing units to the City of Mankato. She indicated that in conducting the title work for the public housing properties, it was identified that the properties are still deeded to the Housing Authority of Mankato; thus, although program administration was transferred to the EDA in 1997, the necessary resolutions dissolving the HRA and transferring the assets to the EDA were not completed.

Ms. Bokelmann explained that to convey the properties to the City of Mankato, it is recommended that the City resurrect the HRA temporarily to properly transfer 49 units to the city under the Section 18 disposition and the remaining 130 units to the EDA under Section 9 Public Housing and then dissolve the HRA.

Mr. McLaughlin moved and Mr. Dieken seconded a motion canceling February 10, 2025, as the date of the public hearing to consider 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. McLaughlin moved and Mr. Dieken seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:26 p.m.

Prepared by:	Approved by:
Renae Kopischke City Clerk	Najwa Massad Chair

AGENDA RECOMMENDATION

Economic Development Authority **A.**

Meeting Date: 03/10/2025

Agenda Item:

Resolution authorizing Letter of Intent to HUD for consolidation of the Pipestone HRA Housing Choice Voucher Program.

Recommendation/Action(s):

Adoption of the attached Resolution.

Summary:

The Mankato EDA has been requested to consider the consolidation of the Pipestone HRA's Housing Choice Voucher Program (HCV) made up of 53 vouchers. A consolidation with the EDA would allow these vouchers to be utilized in Pipestone County or Blue Earth County.

To consolidate these vouchers, a contractual agreement with the Pipestone HRA will be established to assist the EDA in the administration of applicants interested in vouchers in Pipestone County. The EDA will contract for services with the Pipestone HRA to conduct necessary inspections and assist in connecting with participants during the certification process, providing reasonable accommodation as needed due to the distance between our jurisdictions. Vouchers not being utilized in Pipestone will have access to the EDA’s current waitlist. A Pipestone preference would be utilized and prioritize families that could be served under contract with the Pipestone HRA.

Currently, the Mankato EDA is using 100% of the program budget for 89% of the allocated vouchers. These additional vouchers will assist the EDA in serving families on our waiting list. Currently, the Mankato EDA has 917 families on the waiting list. These additional vouchers expand affordable housing opportunities in the community and are supported by the Affordable Housing Action Plan for Blue Earth County and the Strategic Plan for the City of Mankato.

The Pipestone HRA has an allocation of 53 vouchers and has had substandard ratings for several years due to underutilization of their vouchers. They currently have 28 of the 53 leased and no one on their wait list which has been closed to allow for the transfer of the program.

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. 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. These vouchers coordinate with local landlords to provide affordable housing options for low-income families. The EDA has staffing capacity to manage these additional vouchers.

The requested action is a resolution authorizing the Executive Director to sign a letter of intent requesting HUD to consolidate the Pipestone HRA's HCV program with the Mankato EDA's program.

Attachments

Resolution

Letter of Intent

Authorizing the Letter of Intent to Consolidate
The Pipestone HRA's Housing Choice Voucher Program

WHEREAS, the Mankato EDA administers the Housing Choice Voucher program funded by the US Department of Housing and Urban Development (HUD) to provide tenant-based and project-based rental assistance vouchers to meet the housing needs of Very Low-Income households in Blue Earth County; and

WHEREAS, the Mankato Economic Development Authority (EDA) has identified through the Affordable Housing Action Plan in 2023 a need to increase the supply of affordable housing available to low-income households.

WHEREAS, The Pipestone HRA administers the Housing Choice Voucher program funded by the US Department of Housing and Urban Development (HUD) to provide tenant-based rental assistance vouchers to meet the housing needs of Very Low-Income households in Pipestone County.

WHEREAS, The Pipestone HRA's Housing Choice Voucher program has a history of underutilization with lack of eligible families seeking assistance to make rental costs affordable in their jurisdiction desires to consolidate their vouchers with another housing agency in the region; and

WHEREAS, The U.S. Department of Housing and Urban Development may approve voluntary consolidations of budget authority and corresponding baseline units for the Housing Choice Voucher program when requested by a letter of intent; and

NOW THEREFORE BE IT RESOLVED that the Mankato EDA has the capacity to administer these additional vouchers and are committed to serving populations within Pipestone County under a contractual agreement with the Pipestone HRA. The Mankato EDA authorizes a letter of intent to consolidate the Pipestone vouchers effective July 1, 2025.

BE IT FURTHER RESOLVED, that Susan MH Arntz, the Executive Director, is authorized, on behalf of the Mankato EDA to execute this letter of intent to consolidate the Pipestone HRA's Housing Choice Voucher program budget authority and 53 baseline vouchers.

This resolution shall become effective immediately upon passage.

Adopted on this 10th day of March 2025.

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Najwa Massad, Board Chair

Attest:

____
Susan MH Arntz, Executive Director

March 10, 2025

Lori Lindberg
U.S. Department of HUD
Office of Public & Indian Housing
Minneapolis Field Office
212 3rd Avenue South, Suite 150
Minneapolis, MN 55401

RE: Consolidation Notice

Dear Lori Lindberg,

The Economic Development Authority of Mankato, Minnesota requests to coordinate with the Pipestone HRA for the consolidation of their Housing Choice Voucher Program made up of 53 vouchers.

Divesting PHA:	Pipestone HRA, MN049
Receiving PHA:	Mankato EDA, MN063
Consolidation Date:	July 1, 2025

A consolidation with the EDA would allow these vouchers to be utilized in Pipestone County or Blue Earth County. The EDA is committed to serving populations within the Pipestone County and to continue to administer the vouchers as intended under the Housing Choice Voucher Program.

To consolidate these vouchers a contractual agreement with the Pipestone HRA will be established to assist the EDA in the administration of vouchers in Pipestone County. The EDA will contract for services with the Pipestone HRA to conduct necessary inspections and assist in connecting with participants during the certification process providing reasonable accommodation as needed due to the distance between our jurisdictions. Vouchers not being utilized in Pipestone will have access to the EDA's current waitlist. A Pipestone preference would be utilized and prioritize families that could be served under contract with the Pipestone HRA.

Currently, the Mankato EDA has 917 families on the waiting list. These additional vouchers expand affordable housing opportunities in the community and are supported by the Affordable Housing Action Plan for Blue Earth County and the Strategic Plan for the city of Mankato.

We request approval to consolidate the Pipestone HRA Vouchers and are providing the enclosed resolution approved by the EDA Board of Directors.

Sincerely,

Susan MH Arntz
Executive Director
Enclosure

AGENDA RECOMMENDATION

Economic Development Authority **B.**

Meeting Date: 03/10/2025

Agenda Item:

Resolution authorizing application to the Minnesota Housing Bring It Home Rental Assistance Program Request for Proposals.

Recommendation/Action(s):

Adoption of the attached Resolution.

Summary:

Minnesota Housing has authority under Minnesota Statute 462A.2095 to establish and administer a statewide rental assistance program that provides tenant-based and project-based rental assistance and announced the availability of funding to eligible Housing Choice Voucher program administrators and Tribal Nations in the state to provide direct rental assistance under the Bring It Home Rental Assistance Program Request for Proposals. Applications are due April 21, 2025.

- To be eligible for Bring It Home Rental Assistance Program funds, the applicant must be a Program Administrator as defined in 462A.2095, Subd 2(c). Program Administrators are: Housing Choice Voucher (HCV) administrator: A Housing and Redevelopment Authority (HRA) or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937;
- Tribal Entity: A Tribal government or Tribal Designated Housing Entity; or
- Nongovernmental Organization: If there is no entity in either category above with the capacity or authority to administer the program, a nongovernmental organization determined by Minnesota Housing to have the capacity to administer the program.

Minnesota Housing will make every effort to ensure coverage of all geographies within Minnesota so that all low-income renter households have an opportunity for assistance. Program administrators may partner to deliver the rental assistance in another Service Area. If a current HCV administrator or Tribal Entity declines or is unable to operate the program within its Service Area, Minnesota Housing will notify the adjacent HCV administrators and/or Tribal Entities to determine their interest in administering the program in that Service Area. Program administrators that choose to partner with another program administrator must enter into a Memorandum of Agreement (MOA) that describes how they will work together to achieve the agreed goals and objectives. MOAs may be used to increase geographic coverage, reduce financial limitations placed on smaller housing authorities, or fill gaps by program administrators that choose not to participate in the program. The program administrator would be eligible to receive the combined Minimum Grant Awards for all Service Areas under the MOA.

On August 16, 2024, the EDA was allocated $728,393.00 for 60-81 rental Vouchers at a minimum level that could be provided by Minnesota Housing through their competitive application process. The minimum grant amounts established for each Housing Choice Voucher program administrator in the state used the average Housing Assistance Payments provided by HUD and multiplied them by eligible households identified using the Census Bureau's American Community.

This program provides grants to program administrators for the purpose of providing tenant or project-based rental assistance directly to housing providers for eligible households using already established administrative policies and procedures under the Housing Choice Voucher Program. Eligible uses under this program are Start-Up Costs, Administrative Fees and Housing Assistance Payments.

Start-Up Costs should be adequate to establish program policies, hire and train staff, establish waitlists and develop program procedures during the first twelve months of the program. Start-Up Costs will be covered through the initial grants with Program Administrators for the first round of funding only. The Start-Up Costs are in addition to the Bring It Home Rental Assistance Program grant proceeds used for Housing Assistance Payments and Administrative Fees.

Households are eligible to apply for the Bring It Home Rental Assistance Program if they:

- Are a Minnesota resident;
- Have an annual income of up to 50% of the area median income as determined by the United States Department of Housing and Urban Development (HUD), adjusted for family size;
- Pay more than 30% of the household's annual income on rent;
- Are not receiving federal tenant-based assistance under Section 8 of the United States Housing Act of 1937, as amended; and
- Are not currently in a unit receiving project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

After initial eligibility, Program Administrators may use additional screening criteria to determine a household's qualification and prioritization for the program using their already established administrative policies. Priority for rental assistance must be given to households with children 18 years of age and under, and annual incomes of up to 30% of the area median income.

The requested action is to approve by resolution the authorization to submit an application for the Bring it Home Rental Assistance Program with Minnesota Housing. It is anticipated that grants will be awarded in August 2025.

Attachments

Resolution

Authorizing the Submission of the
Bring It Home Application for Rental Assistance
Through Minnesota Housing

WHEREAS, the Mankato EDA administers the Housing Choice Voucher program funded by the US Department of Housing and Urban Development (HUD) to provide tenant-based and project-based rental assistance vouchers to meet the housing needs of Very Low-Income households in Blue Earth County; and

WHEREAS, Minnesota Housing has the authority under Minnesota Statute 462A.2095 to establish and administer a statewide rental assistance program that provides tenant-based and project-based rental assistance through Program Administrators.

WHEREAS, Minnesota Housing, a public body corporate and politic of the State of Minnesota announces the availability of funding to eligible program administrators to provide direct rental assistance through the Bring It Home Rental Assistance Program Request for Proposals; and

WHEREAS, on August 16, 2024, the Mankato EDA was allocated $728,393.00 for 60-81 rental vouchers at a minimum level that could be provided by Minnesota Housing through their competitive application process. The minimum grant amounts established for each Housing Choice Voucher program administrator in the state used the average Housing Assistance Payments provided by HUD and multiplied them by eligible households identified using the Census Bureau's American Community.

NOW THEREFORE BE IT RESOLVED that the Mankato EDA authorizes the submission of the Bring It Home Rental Assistance Program application through the Minnesota Housing. The Mankato EDA will comply with all requirements imposed by regulations of MN Housing for the administration of the program.

BE IT FURTHER RESOLVED, that Susan MH Arntz, the Executive Director, is authorized, on behalf of the Mankato EDA to execute and deliver to Minnesota Housing an application.

This resolution shall become effective immediately upon passage.

Adopted this 10th day of March 2025.

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Najwa Massad, Board Chair

Attest:

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Susan MH Arntz, Executive Director

AGENDA RECOMMENDATION

Economic Development Authority **C.**

Meeting Date: 03/10/2025

Agenda Item:

Resolution authorizing the Executive Director to enter into a Memorandum of Understanding with the Southwest MN Housing Partnership and Blue Earth County Human Services for the administration of Continuum of Care funding at Cherry Ridge Apartments.

Recommendation/Action(s):

Adoption of the attached Resolution.

Summary:

This memorandum of understanding details the roles and responsibilities of the grantee: Mankato Economic Development Authority; a non-profit housing sponsor: Cherry Ridge Apartments, owned by the Southwest Minnesota Housing Partnership; and a service provider: Blue Earth County Human Services; in meeting the specific requirements of the Continuum of Care Program as detailed in U.S. Department of Housing and Urban Development grant agreements and in 24 CFR Part 578 - Continuum of Care Program for Cherry Ridge Apartments in Mankato, Minnesota.

The program was built on the premise that housing and services need to be connected to ensure the stability of housing for this population. The EDA, Southwest Minnesota Housing Partnership (SWMHP), and Blue Earth County work together to provide rental assistance and supportive services using the Housing First approach to assist eight (8) DedicatedPLUS households to find and maintain permanent affordable housing. DedicatedPLUS is a permanent supportive housing (PH-PSH) project serving individuals and families that meet one of the following criteria at project entry:

1. Experiencing chronic homelessness;
2. Residing in a transitional housing project that will be eliminated and meet the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;
3. Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
4. Residing in transitional housing funded by a Joint transitional housing (TH) and rapid re-housing (PH-RRH) component project and who were experiencing chronic homelessness prior to entering the project;
5. Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
6. Receiving assistance through a Department of Veterans Affairs (VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.

The Continuum of Care Funding provides supportive services dollars to be used at sponsor properties within the EDA service area of the City of Mankato and Blue Earth County. SWMHP is our Sponsor, owning Cherry Ridge Apartments, Sibley Parkway Apartments and Homestead Apartments. Primary rental assistance has been tied to the redevelopment of Cherry Ridge Apartments but can include other locations as needed. The EDA provides 8 project-based vouchers under the Housing Choice Voucher program as a program match to the Continuum of Care funding.

The EDA is being asked to adopt a resolution authorizing the Executive Director to enter into a renewed Memorandum of Understanding with SWMHP and Blue Earth County Human Services for the administration of the Continuum of Care grant.

Attachments

Resolution

Memorandum of Understanding

Grant Agreement

Grant Amendment

RESOLUTION AUTHORIZING THE REVISED MEMORANDUM OF UNDERSTANDING FOR THE ADMINISTRATION OF THE CONTINUUM OF CARE GRANT

WHEREAS, the City of Mankato is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, the Council of the City of Mankato has adopted a Consolidated Plan and affordable housing is identified as a community need; and

WHEREAS, a need has been identified for additional affordable housing in the City to support those who are homeless, based on 2020 Housing Study commissioned by the City of Mankato and the Mankato Housing Action Plan adopted in 2023; and

WHEREAS, the City of Mankato through its Economic Development Authority (the EDA), developed an Administrative Plan that guides affordable housing through the Housing Choice Voucher program; and

WHEREAS, the EDA has Continuum of Care funds designed to promote a community-wide commitment to the goal of ending homelessness and supports partnerships between local governments/public housing agencies and non-profits to serve a population that has been traditionally hard to reach; and

WHEREAS, the EDA administers the Housing Choice Voucher rent assistance program and provides 8 project based rent assistance vouchers as a cash match to ensure very low income households are provided stable, affordable housing and address homelessness.

WHEREAS, Southwest Minnesota Housing Partnership is a non-profit organization dedicated to creating affordable housing and owner of affordable housing projects in Mankato including Cherry Ridge Apartments, Sibley Parkway Apartments, and Homestead Apartments, and is sponsoring 8 units for permanent supportive housing with supportive services for low and moderate income households who are homeless with incomes below 50% of area median income; and

WHEREAS, Blue Earth County Human Services has committed to providing case management services using the Continuum of Care funds; and

NOW, THEREFORE, BE IT RESOLVED, that the EDA authorizes the Executive Director to enter the Memorandum of Understanding with Southwest Minnesota Housing Partnership and Blue Earth County Human Services for the administration of Continuum of Care grant agreement.

This resolution shall become effective immediately upon passage and without publication.

Adopted this 10th day of March 2025.

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Najwa Massad Board Chair

Attest: ______________________________
Susan MH Arntz, Executive Director

MEMORANDUM OF UNDERSTANDING
Between Mankato Economic Development Authority (Grantee),
Southwest Minnesota Housing Partnership (non-profit Sponsor),
And Blue Earth County Human Services (Service Provider)
Regarding HUD Continuum of Care Program for
Cherry Ridge Rental Assistance

Grant Number: MN0300L5K022211

Federal Award Date: 07-25-2023

Performance Period: 08-01-24 to 07-31-2025

Grant Award: $61,986 **Supportive Services**: $61,986

Cash Match: Project-Based HCV Rental Assistance $66,000

This memorandum of understanding, entered into on March 10, 2025, details the roles and responsibilities of the grantee, Mankato Economic Development Authority (hereinafter the "EDA"); a non-profit housing sponsor, owner of Cherry Ridge Apartments, the Southwest Minnesota Housing Partnership (hereinafter the "SWMHP"); and a service provider, Blue Earth County Human Services (hereinafter "BEC"); in meeting the specific requirements of the Continuum of Care Program (hereinafter the "CoC Program") as detailed in U.S. Department of Housing and Urban Development (hereinafter "HUD") grant agreements and in 24 CFR Part 578 - Continuum of Care Program for Cherry Ridge (hereinafter "Cherry Ridge") in Mankato, Minnesota.

HUD Continuum of Care funds are designed to promote a community-wide commitment to the goal of ending homelessness and supports partnerships between local governments/public housing agencies and non-profits to serve a population that has been traditionally hard to reach. Homeless persons with disabilities such as serious mental illness, chronic substance abuse, and or AIDS and related diseases. The program was built on the premise that housing and services need to be connected to ensure the stability of housing for this population. The EDA, SWMHP, and BEC will work together to provide rental assistance and supportive services using the Housing First approach to assist eight (8) dedicated plus households to find and maintain permanent affordable housing. As a Sponsor Based CoC Program, supportive services can be used at sponsor properties within the EDA service area of Blue Earth County including but not limited to Cherry Ridge Apartments, Sibley Parkway Apartments and Homestead Apartments.

PROGRAM GOALS:

A. The goals of this CoC Program are to help qualifying households to

1. Remain in permanent supportive housing or exit to other permanent housing,
2. Maintain or increase income (from all sources)
3. Address and achieve one of the self-determined needs in the household's plan within the first twelve months.

B. Qualifying households for the CoC program are those that qualify for "Dedicated PLUS" housing, meaning, the head of household has a disability and meet any of the following criteria at project entry:

1. Experiencing chronic homelessness as defined in 24 CFR 578.31.
2. Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project.
3. Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined at 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement.
4. Residing in transitional housing funded by a Joint transitional housing (TH) and rapid re-housing (PH-RRH) component project and who were experiencing chronic homelessness as defined at 24 CFR 578.3 prior to entering the project.
5. Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
6. Receiving assistance through a Department of Veterans Affairs (VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.

All referrals for the CoC Program come through the River Valleys Continuum of Care Coordinated Entry System (CES). This CoC Program uses the HUD "Dedicated Plus" level of eligibility for its participants.

In the absence of a qualified household immediately meeting this criterion, the highest priority household may be considered for an opening.

MATCH REQUIREMENTS: EDA agrees to match all grant funds with no less than 25 percent Cash contributions. The EDA will provide Project Based Housing Choice Voucher rental assistance payments as match documentation and verify its eligibility with ledger documentation. For this MOU parties are estimating costs to be used as match, however actual costs will be documented and submitted by the EDA. Documentation of cash matches will be provided monthly and annually to close out the program grant.

The EDA will coordinate with SWMHP to ensure that match information is entered into the APR for reporting to HUD.

Operational Responsibilities: It is understood that the EDA, SWMHP, and BEC must work together as a team to effectively meet the needs of CoC Program participants. This level of collaboration will require thorough and timely communication between all parties.

Together, the EDA, SWMHP and BEC resolve to:

- Work cooperatively to achieve the stated CoC Program goals.
- Annually review and adopt all related written standards, policies, and procedures to ensure alignment with referral, prioritization, and enrollment processes.
- All Partners of the CoC Program are required to implement adopted policies and procedures.
- Coordinate with each other to meet the needs of each household eligible for and enrolled in the CoC Program, ensuring that services are based on household needs, preferences, and desires. Offered in the least restrictive manner and flexible in terms of scheduling.

- Work with contracted property management to insure notification of open units and lease compliance.
- Follow the Coordinated Entry System (CES) policies and written standards adopted by River Valleys CoC.
- Comply with any other terms or conditions established by NOFA.
- Provide each party with data and supplemental information necessary for required reports to HUD, or any other governing or funding entity, such as Minnesota Housing Finance Agency (MHFA), or Minnesota Department of Human Services (DHS), that may have an interest or stake in the project.
- Ensure client/tenant privacy and obtain releases of information for private data as required by applicable state and federal laws, including, where applicable, the Minnesota Government Data Practices Act (Minn. Stat. § 13) and The Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191.
- Comply with HUD-approved CoC applications, grant agreements, and regulations (24 CFR 578) as attached in Exhibit A.

Grantee Responsibilities - The Mankato Economic Development Authority:

The EDA serves as the grant recipient for the CoC Program. In this role, the EDA:

- Register with listservs at: https://www.hud.gov/subscribe/localmailinglist#mn to ensure proper notifications for training and reporting requirements.
- Ensure the CoC Program is operated in accordance with the McKinney-Vento Act and CoC Program interim rule – from eligible activities, supportive services, rental assistance, to involvement of people who are homeless in project operation to recordkeeping.
- Administer matching funds through the Project Based Housing Choice Voucher rental assistance in accordance with HUD Guidelines and established policies and procedures. The EDA will follow their agency Administrative Plan.
- Conduct annual and interim Housing Quality Standards Inspections.
- Monitor and coordinate with SWMHP to report the progress of the CoC Program to the Continuum of Care and to HUD.
- Monitor grant expenditures and report to HUD using LOCCs.
- Monitor match expenditures provided EDA HCV program and coordinate with SWMHP to report matching funding to HUD.

Sponsor Responsibility - The Southwest Minnesota Housing Partnership:

The SWMHP serves as the sponsor of this CoC Program. In this role, the SWMHP:

- Completes annual renewal applications and performance reporting for this CoC program. This includes:
    a. Registering with listservs at: https://www.hud.gov/subscribe/localmailinglist#mn to ensure proper notifications for training and reporting requirements.
    b. Maintenance of accounts in e-snaps and SAGE reporting systems

c. Complete and submit annual performance report in SAGE within 90 days of the grant term ending. This includes entering data in HMIS and pulling a CSV report to be uploaded in SAGE.
d. Monitor and coordinate with EDA to report the progress of the CoC Program to the Continuum of Care and to HUD.
e. Coordinating with other partners and parties to collect and document supplemental information and data necessary for local competition submissions and HUD submissions.
f. Monitor match expenditures and coordinate with EDA to report matching funding in APR for reporting to HUD.
g. Providing the EDA with completed reports and applications in a timely manner for review and approval prior to submission.

- Monitor requirements for lead based paint.
- Provides any needed support to other parties of CoC Program.
- Acts as service provider for when service provider is not accessible and will comply with provisions of service provider under this MOU and CoC Program policies and procedures.
- Provide EDA documentation of actual cost for services provided monthly, annually to close out the grant, or upon request.

Service Provider Responsibilities - Blue Earth County Human Services:

BEC serves as the service provider for the CoC Program. In this role, BEC:

- Register with listservs at: https://www.hud.gov/subscribe/localmailinglist#mn to ensure proper notifications for training and reporting requirements.
- Administers case management services in accordance with policies and procedures established by the CoC Program.
- Referral: Case Manager will request a referral from the Coordinated Entry System within 5 business days of notification of anticipated vacancy.
- Intake and Screening: Case Manager will conduct intake and screening of CES referrals to fill openings in accordance with policies and procedures.
- Case Management: Assess, coordinate, and monitor service delivery individualized to meet specific needs for each enrolled household for the duration of the program. While enrolled households are not required to participate in service, BEC makes case management services available and offers referrals and links to other community resources and services.
- Case management services are provided for up to eight (8) enrolled households at a time throughout the grant term.
- Enrolled households participate in an average of 2 hours of case management services per week.
- Conduct initial, interim, and annual assessment of need using the self-sufficiency matrix, or an approved alternative assessment tool, and as outlined in policies and procedures.
- Complete Homeless Management Information System (HMIS) data entry.
- Maintain necessary files and data as established in CoC Program policies and procedures.
- Provide supplemental information and data as requested by SWMHP for purposes of annual renewal applications and reporting.

- Provide EDA documentation of actual cost for services provided monthly, annually to close out the grant, or upon request.

Primary Contacts The following are the primary contacts for the CoC Program:

Mankato Economic Development Authority
Nancy Bokelmann, Associate Director of Housing and Economic Development,
nbokelmann@mankatomn.gov, 507-387-8623
Nicole Cunningham, Housing Coordinator, ncummingham@mankatomn.gov, 507-387-8675
Jodi Jallow, Housing Specialist for Housing Specialist, jjallow@mankatomn.gov, 507-387-8512

Blue Earth County
Andrew Pietsch, Human Services Supervisor, andrew.pietsch@blueearthcountymn.gov, 507-304-4442
Jamie Kuehn, Program Coordinator – Supportive Housing, jamie.kuehn@blueearthcountymn.gov, 507-304-4446.

Southwest Minnesota Housing Partnership
Ashley McCarthy, Director of Supportive Services, ashleym@swmhp.org, 507-836-1628

NON-DISCRIMINATION AND EQUAL OPPORTUNITY The EDA, BEC, and the SWMHP, agree that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, handicap, ancestry, familial status, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program participating in CoC Program or funded in whole in part with funds made available to the EDA (grantee) pursuant to this agreement.

TERM This agreement will be renewed annually with the CoC Program funding operating at Cherry Ridge Apartments and sponsor properties under the DedicatedPlus grant.

AMENDMENT OR CANCELLATION OF THIS MOU This agreement may be amended or renegotiated with the written agreement by all parties during the term of the contract. In addition, any party may cancel this MOU with sixty (60) days advance written notice to the other Parties.

All partners agree to the terms, definitions, and conditions of this memorandum of understanding by signing below:

By: _ Date: ___________
Susan MH Arntz, Executive Director
Mankato Economic Development Authority (Grantee)

By: _ Date: ___________
Kip Bruender, Chair
Blue Earth County (Service Provider)

By: _ Date: ___________
Robert Meyer, County Administrator

Blue Earth County (Service Provider)

By: _ Date: ___________

Phil Claussen, County Human Services Director
Blue Earth County (Service Provider)

By: _ Date: ____________

Chad Adams, Chief Executive Officer
Southwest Minnesota Housing Partnership (Sponsor)

Exhibits

A- 24 CFR 578
   Link: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-578?toc=1
B- HUD Grant Agreement
C- Application for Funding
D- CoC Program Policies and Procedures

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Paul D. Wellstone Federal Building
212 Third Avenue South
Suite 150
Minneapolis, MN 55401

Grant Number: MN0300L5K022311
Recipient's Name: Mankato EDA
Tax ID Number: 41-6005344
Unique Entity Identifier [SAM]: UKU9LZ6NXLH3
Federal Award Date: 8/15/2024

CONTINUUM OF CARE PROGRAM (CDFA# 14.267)
GRANT AGREEMENT

This Grant Agreement ("this Agreement") is made by and between the United States Department of Housing and Urban Development ("HUD") and Mankato EDA Partnership (the "Recipient").

This Agreement, the Recipient's use of funds provided under this Agreement (the "Grant" or "Grant Funds"), and the Recipient's operation of projects assisted with Grant Funds are governed by

1. The Consolidated Appropriations Act, 2023 (Pub. L. 117-328, approved December 29, 2022)

2. title IV of the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11301 et seq. (the "Act");

3. the Continuum of Care Program rule at 24 CFR part 578 (the "Rule"), as amended from time to time;

4. and the Notice of Funding Opportunity for the fiscal year in which the funds were awarded; and

5. the Recipient's application submissions on the basis of which these Grant Funds were approved by HUD, including the certifications, assurances, technical submission documents, and any information or documentation required to meet any grant award condition (collectively, the "Application").

The Application is incorporated herein as part of this Agreement, except that only the project (those projects) listed below are funded by this Agreement. In the event of any conflict between any application provision and any provision contained in this Agreement, this Agreement shall control. Capitalized terms that are not defined in this agreement shall have the meanings given in the Rule.

HUD's total funding obligation authorized by this grant agreement is $61,986, allocated between the project(s) listed below (each identified by a separate grant number) and, within those projects, between budget line items, as shown below. The Grant Funds an individual project will receive are as shown in the Application on the final HUD-approved Summary Budget for the project. Recipient shall use the Grant Funds provided for the projects listed below, during the budget period(s) period stated below.

Grant No.	Grant Term	Performance Period	Total Amount
MN0300L5K022311	12 months	08-01-2024 - 07-31-2025	$61,986

a. Continuum of Care planning activities	$0
b. Acquisition	$0
c. Rehabilitation	$0
d. New construction	$0
e. Leasing	$0
f. Rental assistance	$56,808
g. Supportive services	$0
h. Operating costs	$0
i. Homeless Management Information System	$0
j. VAWA	$0
k. Rural	$0
l. Admin Costs	$5,178
m. Relocation Costs	$0
n. HPC homelessness prevention activities:	
Housing relocation and stabilization services	$0
Short-term and medium-term rental assistance	$0

Pre-award Costs for Continuum of Care Planning

The Recipient may, at its own risk, incur pre-award costs for continuum of care planning awards, after the date of the HUD selection notice and prior to the effective date of this Agreement, if such costs: a) are consistent with 2 CFR 200.458; and b) would be allowable as a post-award cost; and c) do not exceed 10 percent of the total funds obligated to this award. The incurrence of pre-award costs in anticipation of an award imposes no obligation on HUD either to make the award, or to increase the amount of the approved budget, if the award is made for less than the amount anticipated and is inadequate to cover the pre-award costs incurred.

These provisions apply to all Recipients:

If any new projects funded under this Agreement are for project-based rental assistance for a term of fifteen (15) years, the funding provided under this Agreement is for the performance period stated herein only. Additional funding is subject to the availability of annual appropriations.

The budget period and performance period of renewal projects funded by this Agreement will begin immediately at the end of the budget period and performance period of the grant being renewed. Eligible costs incurred between the end of Recipient's budget period and performance period under the grant being renewed and the date this Agreement is executed by both parties may be reimbursed with Grants Funds from this Agreement. No Grant Funds for renewal projects may be drawn down by Recipient before the end date of the project's budget period and performance period under the grant that has been renewed.

For any transition project funded under this Agreement the budget period and performance period of the transition project(s) will begin immediately at the end of the Recipient's final operating year under the grant being transitioned. Eligible costs, as defined by the Act and the Rule incurred between the end of Recipient's final operating year under the grant being transitioned and the execution of this Agreement may be paid with funds from the first operating year of this Agreement.

HUD designations of Continuums of Care as High-performing Communities (HPCS) are published on HUD.gov in the appropriate Fiscal Years' CoC Program Competition Funding Availability page. Notwithstanding anything to the contrary in the Application or this Agreement, Recipient may only use grant funds for HPC Homelessness Prevention Activities if the Continuum that designated the Recipient to apply for the grant was designated an HPC for the applicable fiscal year.

The Recipient must complete the attached "Indirect Cost Rate Schedule" and return it to HUD with this Agreement. The Recipient must provide HUD with a revised schedule when any change is made to the rate(s) included in the schedule. The schedule and any revisions HUD receives from the Recipient will be incorporated into and made part of this Agreement, provided that each rate included satisfies the applicable requirements under 2 CFR part 200 (including appendices).

This Agreement shall remain in effect until the earlier of 1) written agreement by the parties; 2) by HUD alone, acting under the authority of 24 CFR 578.107; 3) upon expiration of the budget period and performance period for all projects funded under this Agreement; or 4) upon the expiration of the period of availability of Grant Funds for all projects funded under this Agreement.

HUD notifications to the Recipient shall be to the address of the Recipient as stated in the Recipient's applicant profile in e-snaps. Recipient notifications to HUD shall be to the HUD Field Office executing the Agreement. No right, benefit, or advantage of the Recipient hereunder may be assigned without prior written approval of HUD.

Build America, Buy America Act. The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

The Agreement constitutes the entire agreement between the parties and may be amended only in writing executed by HUD and the Recipient.

By signing below, Recipients that are states and units of local government certify that they are following a current HUD approved CHAS (Consolidated Plan).

This agreement is hereby executed on behalf of the parties as follows:

UNITED STATES OF AMERICA,
Secretary of Housing and Urban Development

By:

Marcia A. Kolb
____
(Signature)

Marcia A. Kolb, Director
(Typed Name and Title)

August 15, 2024
(Date)

RECIPIENT

Mankato EDA
(Name of Organization)

By:

Susan MH Arntz
____
(Signature of Authorized Official)

_Susan MH Arntz, Executive Director____________________
(Typed Name and Title of Authorized Official)

_____08/15/2024_____________________________________
(Date)

Indirect Cost Schedule

Agency/Dept./Major Function	Indirect Cost Rate	Direct Cost Base

This schedule must include each indirect cost rate that will be used to calculate the Recipient's indirect costs under the grant. The schedule must also specify the type of direct cost base to which each included rate applies (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rate information for subrecipients.

For government entities, enter each agency or department that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR §200.414), and the type of direct cost base to which the rate will be applied.

For nonprofit organizations that use the Simplified Allocation Method for indirect costs or elects to use the de minimis rate of 10% of Modified Total Direct Costs in accordance with 2 CFR §200.414, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

For nonprofit organizations that use the Multiple Base Allocation Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.

To learn more about the indirect cost requirements, see 24 CFR 578.63; 2 CFR part 200, subpart E; Appendix IV to Part 200 (for nonprofit organizations); and Appendix VII to Part 200 (for state and local governments).

Recipient Name: Mankato Housing Authority
Tax ID #: 41-6005344
Grant Number: MN0300L5K022311
Effective Date: 8/1/2024
UEI #: UKU9 LZ6N XLH3

AMENDMENT TO THE CONTINUUM OF CARE GRANT AGREEMENT

This Amendment to Grant Agreement is made by and between the United States Department of Housing and Urban Development (HUD) and Mankato Housing Authority (the Recipient), of 10 Civic Center Plaza, Mankato, MN 56001.

RECITALS

1. HUD and the Recipient entered into a Grant Agreement dated 8/15/2024 having Grant No. MN0300L5K022311 (the Grant Agreement).

2. The parties are desirous of amending the Grant Agreement by reducing the rental assistance budget line item from $56,808 to $0 and administrative costs from $5,178 to $0. Additionally, the recipient is adding the supportive services budget in the amount of $61,986 as a result increasing service needs of participants and access to housing choice vouchers.

3. HUD has determined that the change is necessary to better serve eligible persons within the geographic area and to ensure that the priorities established under the Notice of Funding Availability (NOFA) in which the grant was originally awarded are met.

AGREEMENTS

The Grant Agreement is hereby amended as follows:

HUD’s total funding obligation of $61,986 for this grant remains the same, however, the funds are now allocated as follows:

a. CoC Planning cost	$0
b. Acquisition	$0
c. New construction	$0
d. Rehabilitation	$0
e. Leasing	$0
f. Rental assistance	$0
g. Supportive services	$61,986
h. Operating costs	$0
i. HMIS	$0
j. Administration	$0

This Amendment to the Grant Agreement constitutes the entire agreement of the parties as to amendment of the Grant Agreement and will become effective only upon the execution hereof by all parties. The remaining terms of the Grant Agreement remain in full force and effect.

The parties, on the dates set forth below their respective signatures, hereby execute this Amendment to Grant Agreement, as follows:

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OF THE UNITED STATES OF AMERICA,
By the Secretary of Housing and Urban Development

BY: Marcia A Kolb ______________________________
(Signature)

Director, Office of Community Planning and Development
(Title)

_8/22/2024______________________________
(Date)

RECIPIENT

Mankato Housing Authority
(Name of Organization)

BY: Susan MH Arntz ______________________________
(Signature of Authorized Official)

_Executive Director______________________________
(Title)

__8-22-24______________________________
(Date)

AGENDA RECOMMENDATION

Economic Development Authority **D.**

Meeting Date: 03/10/2025

Agenda Item:

Resolution approving acquisition of certain property owned by the Housing and Redevelopment Authority of Mankato.

Recommendation/Action(s):

Adoption of the attached Resolution.

Summary:

On March 10, 2025, the Housing and Redevelopment Authority met and approved the conveyance of public housing properties to the City of Mankato and the Economic Development Authority of Mankato (EDA).

The EDA operates this public housing portfolio and approved the disposition of units from the Section 9 public housing portfolio and approved the disposition of units from Section 9 Public Housing into a long-term, Project-Based, Section 8 Housing Choice Voucher rental assistance that provides a stable and predictable annual subsidy. The application for Section 18 disposition of 49 scattered site units was approved by the EDA on December 11, 2023. This application for Section 18 disposition was approved by the US Department of Housing and Urban Development (HUD) on September 5, 2024, and tenant protection project-based vouchers were provided to the EDA. It is anticipated that the conversion will be completed in March 2025. The remaining 130 units will be seeking disposition approval later this year.

The HRA authorized the conveyance of 49 scattered site public housing units to the City of Mankato for less than the 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. Further, the HRA authorized the conveyance of the remaining 130 public housing units to the EDA under the Section 9 Public Housing program to be converted later this year.

Under disposition, all 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 recorded covenant running with the land and binding on successors and assigns of the City.

The requested action is to accept, by resolution, the conveyance of 130 Public Housing units to the EDA that will be considered for disposition later this year.

Attachments

Resolution

CITY OF MANKATO

RESOLUTION NO. ____________

RESOLUTION APPROVING ACQUISITION BY THE CITY OF CERTAIN PROPERTY OWNED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF MANKATO

WHEREAS, the Housing and Redevelopment Authority of Mankato (the "HRA") is the owner of certain real property located in Blue Earth County, Minnesota and legally described on the attached Exhibit A (collectively, the "Property"); and

WHEREAS, the City established an Economic Development Authority of Mankato (the "EDA") through adoption of Enabling Resolution 97-0623-157 on June 23, 1997; and

WHEREAS, the Enabling Resolution transferred all powers from the HRA to the EDA as allowed by state law, including all of the powers contained in the Enabling Act, the Housing Act, the Development Act, the Industrial Bond Act, the Housing Finance Act, the Tax Increment Act and all other applicable laws; and

WHEREAS, THE HRA transferred its policy oversight and management oversight of specific programming, including Low Rent Public Housing, Section 8 Certificate program and Section 8 Voucher program; and

WHEREAS, accordingly, the EDA operates a public housing portfolio of 179 units on the Property and will be converting 49 scattered site units from the Section 9 Public Housing Program through the Section 18 Disposition program into a long-term, Project-Based Section 8 rental assistance vouchers that provide a stable and predictable annual subsidy; and

WHEREAS, the Section 18 Disposition Program is authorized under Section 18 of the United States Act of 1937 (42 U.S.C. 1437p) (1937 Act); and

WHEREAS, the Mankato EDA has determined that submitting a Section 18 Disposition application is financially feasible and results in increased revenue to support long-term needs of the units; and

WHEREAS, the City of Mankato (the "City") is interested in owning the Property and continuing to use the Property for low-income housing; and

WHEREAS, the HRA and the EDA have determined that it is in the best interest of the public to convey the Property to the City; and

WHEREAS, a public hearing date was set on February 24, 2025, that notice of the date for public hearing was published ten days in advance, and hearing was held on March 10, 2025.

WHEREAS, the HRA, the EDA and the City have followed applicable statutory provisions, including but not limited to, Minnesota Statutes, Section 469.012, 469.105 and Minn. Stat. Section 471.64.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Mankato as follows:

1. The recitals set forth in the preamble to this resolution and the exhibits attached to this resolution are incorporated into this resolution as if fully set forth herein.

2. The conveyance of the Property by quit claim deed from the HRA to the City is hereby authorized and accepted.

3. The City Council hereby authorizes the City Manager, City Clerk and the Mayor, in their discretion and at such time, if any, to execute all appropriate documents to effectuate the conveyance of the Property to the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof.

4. The City Manager, City Clerk and Mayor, staff, and city attorney are hereby authorized and directed to take all additional steps and actions necessary or convenient in order to accomplish the intent hereof.

Approved by the City Council of Mankato, Minnesota this ___ day of __________, 2025.

____
Mayor

ATTEST:

____
City Clerk

EXHIBIT A
Legal Description of the Parcels

The East 133 feet of the North 55 feet of the North 100 feet of the South 176 ½ feet of Lot 6, Auditor's Plat Number Nine, Mankato. All in Township 108 North, Range 27 West. This Plat embraces: A part of the SW ¼ of the SW ¼ of Section 13, a part of Government Lot 11, of Section 14, all of Government Lot 8 and a part of Government Lot 7, both Lots in Section 23, and a part of the SE ¼ of the NE ¼ of Section 23, and situate in Blue Earth County, Minnesota.

AND

Lot 8, Re-arrangement of Lots 5 to 15, Block 2, Kachelmyers Addition, Mankato, Blue Earth County, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County and State.
Subject also to easement rights given to Northern States Power Company as set forth in that certain instrument dated December 6, 1949, filed for record on March 17, 1950, in the office of the Register of Deeds in and for Blue Earth County, Minnesota, as Document No. 216282, in Book 8 of Bonds, at page 372, which affects the East 39.5 feet of Kachelmyers Addition above described.
Subject also to all existing dedicated streets and easements to the public and also subject to all special assessments in favor of the City of Mankato.
Subject to utility easements as shown on the recorded plat thereof.
(Torrens Property, Certificate of Title Number 10,151)

AND

Lot 18, Riemer's Subdivision, Blue Earth County, Minnesota.
Subject to building restrictions as set forth in that certain Warranty Deed dated June 10, 1970, and filed July 3, 1970 in the office of the Register of Deeds, Blue Earth County, Minnesota, and recorded in Book 212 of Deeds, page 358.
Subject to easements for construction and maintenance of utility lines as shown on the recorded plat thereof.

AND

Lot 8, Riemer's Subdivision, Blue Earth County, Minnesota.
Subject to building restrictions as set forth in that certain Warranty Deed dated June 10, 1970, and filed July 3, 1970 in the office of the Register of Deeds, Blue Earth County, Minnesota, and recorded in Book 212 of Deeds, page 357.
Subject to easements for construction and maintenance of utility lines as shown on the recorded plat thereof.

AND

Lot 10, Franklin Heights Subdivision, Mankato, Minnesota, and situate in Blue Earth County, Minnesota.

AND

The Southerly Forty (40) feet of Lot Six (6), Block Twenty-Seven (27), Warrens Addition No. 3 to Mankato, Minnesota, and situate in Blue Earth County, Minnesota.

AND

South Five (5) feet of Lot Four (4) and all of Lot Five (5), Lamm's Addition to Mankato, and situate in Blue Earth County, Minnesota.
Excepting therefrom the land which lies westerly of the following described line: Commencing at the southeast comer of said Lot 5; thence South 88 degrees 42 minutes 57 seconds West, (assumed bearing), along the south line of said Lot 5, the same being the north line of Lot 4, Valliant's Subdivision, a distance of 155.00 feet to the northwest comer of said Lot 4, the same being the northeast comer of Lot 3 of said Valliant's Subdivision, said point being the point of beginning; thence North 00 degrees 32 minutes 02 seconds West, 55.00 feet to a point on the north line of the South 5.00 feet of Lot 4, Lamm's Addition to Mankato and there terminating.
Subject to encroachment of the garage situated on the property located to the South of the above-described property 0.3 feet onto the above-described property as shown on a Survey dated March, 1970, prepared by Bolton & Menk, Inc.

AND

Lot 3, Block 1, Kranz's Subdivision No. 3, Blue Earth County, Minnesota, according to the plat thereof now on file and of record in the office of the Register of Deeds in and for said Blue Earth County, Minnesota.
Subject to an easement of Northern States Power Company for a pole line across said property, which easement is recorded in the Office of said Register of Deeds in Book 9 of Bonds, on page 7.
(Torrens Property, Certificate of Title Number 10,258)

AND

Lot 3, Block 6, Germania Park Addition to Mankato, and situate in Blue Earth County, Minnesota.

AND

Lot 4, Block 1, Kranz's Subdivision No. 3, Blue Earth County, Minnesota, according to the plat thereof now on file and of record in the office of the Register of Deeds in and for said Blue Earth County, Minnesota.
Subject to an easement of Northern States Power Company for a pole line across said property, which easement is recorded in the Office of said Register of Deeds in Book 9 of Bonds, on page 7.
(Torrens Property, Certificate of Title No. 10,259)

AND

Lot Three (3), Block One (1), A.C. Shaubut's Addition to Mankato, and situate in Blue Earth County, Minnesota.

AND

Lot 7, Block 5, Meurer's Subdivision of part of Section 17, Township 108, Range 26, Mankato, Blue Earth County, Minnesota.

AND

Lot Two (2), Block Forty-five (45), Mankato City, Minnesota and situate in Blue Earth County. Subject to reservation by State of Minnesota of all minerals and mineral rights in above described property.

AND

The northerly two (2) feet of Lot Five (5) and all of Lot Six (6), Block Six (6), Columbia Park Addition to the City of Mankato, according to the recorded plat thereof on file and of record in the office of the Register of Deeds in and for Blue Earth County, Minnesota.
(Torrens Property, Certificate of Title Number 10,242)

AND

Lot 5, Block 1, Southeast Village Subdivision No. 6, City of Mankato, Blue Earth County, Minnesota, subject to thoroughfares, public grounds and easements as shown on said plat. (Torrens Property, Certificate of Title No. 13,803)

AND

Lot 16, Block 1, Southeast Village Subdivision No. 6, City of Mankato, Blue Earth County, Minnesota, subject to thoroughfares, public grounds and easements as shown on said plat.
Subject to restrictive covenants for Southeast Village Subdivision No. 6 dated June 23, 1980, and filed as document no. 26782 on June 30, 1980.
(Torrens Property, Certificate of Title No. 13,803)

AND

Lot 1, Block 4, Southeast Village Subdivision No. 6, City of Mankato, Blue Earth County, Minnesota, subject to thoroughfares, public grounds and easements as shown on said plat.
Subject to restrictive covenants for Southeast Village Subdivision No. 6 dated June 23, 1980, and filed as document no. 26782 on June 30, 1980.
(Torrens Property, Certificate of Title No. 13,803)

AND

Lot Three (3) and Lot Four (4), Block Two (2), Monks Addition to the City of Mankato, Blue Earth County, Minnesota.
AND the Northerly one-half of Lots One (1) and Two (2), Block Two (2), Monks Addition to the City of Mankato, excepting from such North one-half of such Lots One (1) and Two (2) the tract described as follows, to wit: Commencing at the Northeast corner of Block Two (2), Monks Addition to the City of Mankato, thence Southerly along the Easterly line of said block a distance of 77.50 feet, thence Northwesterly to a point on the Northerly line of said Block Two (2), such

point being 80.00 feet Westerly of the Northeast corner of such Block two (2); thence Easterly along such Northerly line of said Block Two (2) a distance of 80.00 feet to the point of beginning.

AND

Lot 18, except the Northerly 52 feet thereof, and all of Lots 19 and 20, Block 22, Second Extension to East Mankato, Blue Earth County, Minnesota.

AND

The South 40 feet of Lot Six (6), except the East 100 feet thereof, Block Twenty-eight (28) of Warren's Addition No. 3 to Mankato, Blue Earth County, Minnesota.
AND
The West 102 feet of the North 40 feet of Lot Seven (7), all in Block Twenty-eight (28) of Warren's Addition No. 3 to Mankato, Blue Earth County, Minnesota.

AND

The Northerly 46 feet of Lot 8 and the Southerly 16 1/2 feet of Lot 9, all in Block 6 of Waite & Roelofson's Addition to Mankato, Blue Earth County, Minnesota.

AND

Lot Sixteen (16), Block Two (2), of Randall's Addition to Mankato, except 55 feet off the Northwesterly end thereof according to the plat thereof on file and of record in the office of the Registrar of Deeds in and for said Blue Earth County; SUBJECT HOWEVER, to the reservation to the State of Minnesota in trust for the taxing districts concerned of all minerals and mineral rights therein.

AND

That part of Lot 23, Marsh Bros. Addition to Mankato, Blue Earth County, Minnesota, described as follows: Commencing at a point 150 feet north of the southeast corner of Lot 23, Marsh Bros. Addition to Mankato, thence west 150 feet, thence north 50 feet, thence east 150 feet, thence south 50 feet, to the place of beginning.

AND

Lot 4, Block 1, Kachelmyer's Addition, Blue Earth County, Mankato, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County and State.
Subject to covenants and restrictions of record, if any. (Torrens Property, Certificate of Title No. 15,346)

AND

Lot 1, Burger's Addition to the City of Mankato, Blue Earth County, Minnesota.

AND

Lot 14, Block 1, Scheurer's Highland Park Addition, Mankato, Blue Earth County, Minnesota. (Torrens Property, Certificate of Title No. 15,351)

AND

Lot 12, Auditor's Plat #51, Lots 9 to 15 inclusive, Block 2, Monk's Addition to Mankato, Blue Earth County, Minnesota.

AND

Lot 3, Block 9, First Extension to East Mankato, Blue Earth County, Minnesota.

AND

The East one-half of Lot 29 and Lot 28, except the East 66.86 feet of said Lot 28, all in Block 4, Meurer's Subdivision of part of SW 1/4 of Sec. 17-108-26, Mankato, Blue Earth County, Minnesota.

AND

East 1/2 of Lot 29, and all of Lot 28, all in Block 4, Meurer's Subdivision of part of SW l/4 of Section 17-108-26, Mankato, Blue Earth County, Minnesota.

AND

Lot 2, Block 15, Second Extension to East Mankato, Blue Earth County, Minnesota.

AND

Lot 30, Dolph Heights Subdivision No. 2, according to the plat thereof on file and of record in the Office of the Register of Deeds of and for said Blue Earth County, Minnesota.
Subject to the following restrictions, to-wit: That during the period ending with January 1, 1970, only one single dwelling house to be used for residential purposes shall be erected on the above described parcel; that each such house, exclusive of open porches and garage, if any, shall cover a ground area of not less than 650 square feet; no basement house consisting of basement without superstructure shall be built and occupied thereon and no building already constructed shall be moved thereon in such period; and such dwelling shall be erected so that the front of same shall face the street 25 feet distant from the front line of said lot.
(Torrens Property, Certificate of Title No. 15,688)

AND

Lot 13 of Dolph Heights Subdivision No. 2, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Blue Earth County, Minnesota, subject to restrictions and easements of record.
Subject to the following restrictions, to-wit: That during the period ending with January 1, 1970,

only one single dwelling house to be used for residential purposes shall be erected on the above described parcel: that each such house, exclusive of open porches and garage, if any, shall cover a ground area of not less than 650 square feet; no basement house consisting of basement without superstructure shall be built and occupied thereon and no building already constructed shall be moved thereon in such period; and such dwelling shall be erected so that the front of same shall face the street 25 feet distant from the front line of said lot.
(Torrens Property, Certificate of Title No. 15,782)

AND

Lot 2 and the Southerly 2 feet of Lot 1, all in Block 2, Anderson and Smyth's Subdivision of Lots 21 and 22 of Marsh and Brother's Addition to the City of Mankato according to the Plat thereof on file and of record in the office of the County Recorder within and for Blue Earth County, Minnesota.
(Torrens Property, Certificate of Title Number 15,669)

AND

Lot Number 29, Dolph Heights Subdivision No. 2, according to the plat thereof on file and of record in the office of the Register of Deeds of and for said Blue Earth County, Minnesota.
Subject to the following restrictions, to-wit: That during the period ending with January 1, 1970, only one single dwelling house to be used for residential purposes shall be erected on the above described parcel: that each such house, exclusive of open porches and garage, if any, shall cover a ground area of not less than 650 square feet; no basement without superstructure shall be built and occupied thereon and no building already constructed shall be moved thereon in such period; and such dwelling shall be erected so that the front of same shall face the street 25 feet distant from the front line of said lot.
(Torrens Property, Certificate of Title No. 17,795)

AND

Westerly 96 feet of Lot 1 of Auditor's Plat No. 23, of Block 1, Randall's Addition and Block 16, Duke's Addition to the City of Mankato, Blue Earth County, Minnesota.