AGENDA

Economic Development Authority
Monday, October 14, 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**

   A. Economic Development Authority Meeting of September 8, 2025

4. **Economic Development Authority Business**

   A. Resolutions accepting feasibility report and ordering project for Capital Improvement Projects 11203 & 11204; Orness Plaza and Mankato Scattered Sites RAD Conversion improvements.

   B. Resolution adopting the payment standard schedule for the Housing Choice Voucher Program.

5. **Reports/EDA Comments**

   A. Replacement of 1970s scattered site public housing units using the Low Income Housing Tax Credit program.

6. **Adjournment**

Economic Development Authority **3. A.**

Meeting Date: 10/14/2025

Title:

Submitted By: Renae Kopischke, City Clerk

Agenda Item:

Economic Development Authority Meeting of September 8, 2025

Attachments

Minutes

MINUTES

Mankato Economic Development Authority
Regular Meeting
September 8, 2025 - 7:01 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, Economic Development Coordinator Courtney Kramlinger, Housing Coordinator Nicole Cunningham, and City Clerk Renae Kopischke.

2. **Approval of Agenda**

Mr. Laven moved and Ms. Melby-Kelley seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

Mr. McLaughlin moved and Mr. Mettler seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of August 11, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Ms. Kramlinger reported that in 2007, the city approved of the Economic Development Authority Levy, which is reflected in the Economic Development Fund. She stated that Minnesota Statutes 469.107 enables cities to levy a tax for the benefit of an Economic Development Authority (EDA); however, the amount of the tax must not be more than 0.01813 percent of the estimated market value.

Ms. Kramlinger noted that from 2013 to 2020, the levy was set at $225,000. She summarized the funding purposes in the Economic Development Budget. She noted that the EDA levy then increased to $365,000 as the fee for Greater Mankato Growth (GMG) services (REDA partnership), increased from $99,714 in 2009 to $195,733.44 in 2023. She mentioned that the Council approved a new REDA Joint Services Agreement at their October 10, 2023, meeting which will expire on December 31, 2029. She explained that under the current Agreement, the per capita rate that is used to calculate the fees will be stabilized to the same rate between all the partners by the end of the agreement in 2029; thus, Mankato's fee will be reduced to $190,946.49 in 2026. She added that in 2025, the savings from the reduced REDA fee were allocated to commercial/residential rehabilitation.

Ms. Kramlinger concluded that the recommended EDA levy is $365,000 and the following items reflected in the proposed 2026 budget would be funded by the levy:

- $10,000: Southern Minnesota Initiative Foundation
- $25,000: City Center Business Association
- $40,500: Funding Arts and Culture (Twin Rivers and City Art)
- $98,553.51: Funding for Commercial & Residential Building Rehabilitation
- $190,946.49: Funding for GMG Regional Services Agreement (REDA Partnership)

Mr. McLaughlin moved and Mr. Mettler seconded a motion to approve the Resolution requesting the establishment of a property tax levy for the Economic Development Authority for property taxes to be collected during the 2025 fiscal year. The motion carried unanimously.

B. Ms. Cunningham stated that Minnesota Housing seeks to ensure all Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. She commented that under Minnesota Statute 462A.2095, a statewide Bring It Home rental assistance program has been established that provides tenant-based and project-based rental assistance and is granting funding to eligible program administrators to provide direct rental assistance through the Bring It Home Rental Assistance Program.

Ms. Cunningham indicated that the EDA was awarded Bring It Home funding on July 24, 2025, by Minnesota Housing, to provide needed rental assistance to the region. She noted that the grant amount of $3,347,771.00 is made up of $62,575.00 in startup costs to be used in the first twelve months of contracting and $3,285,196.00 in Housing Assistance Payments (HAP) and Administrative Fees intended to be used during the full two-year contract term.

Ms. Cunningham explained that the program will be administered throughout region nine in partnership with Blue Earth County EDA, Faribault County HRA, LeSueur County HRA, the New Ulm HRA, the Pipestone HRA, and the South-Central MN Multi-County HRA and provide rental assistance for cost-burdened households earning up to 50% area median income (AMI), with priority given to households with children 18 years of age and under and annual incomes of up to 30% of the area's median income.

Ms. Cunningham reported that the EDA is required to establish a Memorandum of Agreement between agencies to coordinate the administration of the program. She indicated that the agreement details the roles and responsibilities of the grantee, Mankato Economic Development Authority (grantee) and partner Public Housing Authorities in meeting the specific requirements of the Bring It Home Rental Assistance program as detailed in the grant agreement and Minnesota Statute 462A.05, Subdivision 8.

Mr. McLaughlin moved and Ms. Melby-Kelley seconded a motion to approve the Resolutions authorizing the execution of the Grant Agreement and the Memorandum of Understanding administering the MN Housing Bring It Home program regionally. The motion carried unanimously.

C. Ms. Cunningham indicated that Minnesota Housing approved the Mankato EDA’s request for funding under the 2025 Local Housing Trust Fund Grants Program Request for Proposal on May 28, 2025, and a grant has been awarded in the amount of $150,000.

Ms. Cunningham explained that the Local Housing Trust Funds Grant Program was established by Minnesota Housing to encourage local governments to create or fund Local Housing Trust Funds. She noted 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. She added that the EDA approved a local match to these grant funds of $150,000 from its general fund.

Ms. Cunningham summarized 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
- Must be used within five years.

Ms. Cunningham commented that within the application for grant funds, the EDA stipulated that the use of these funds would support the Partnership Community Land Trust in Mankato, and the $300,000 will create affordable homeownership with 12 homes in the PCLT by December 31, 2026.

<u>Ms. Hatanpa moved and Mr. Mettler seconded a Resolution authorizing the execution of the Local Housing Trust Fund Grant Agreement with Minnesota Housing</u>. The motion carried unanimously.

D. Ms. Cunningham stated that the 2025 PHA Annual Plan is a comprehensive guide to public housing agency policies, programs, operations, and strategies for meeting local housing needs and goals. She noted that the EDA submits a streamlined plan that represents the role of the agency and programs in the community that follows strategic planning identified in the community consolidated plan, strengthens ties to community service agencies, fair housing, and accesses necessary tools to reach established goals.

Ms. Cunningham reviewed the identified and recommended policy changes enacted since submission of the last Annual Plan and touched on the Capital Fund Program (CFP). She indicated that while this plan has specific emphasis on the operations and strategies of the Housing Choice Voucher program and Public Housing program, it also addresses affordable housing needs in the community and progress in implementing action steps identified in the Affordable Housing Action Plan (AHAP).

Ms. Cunningham highlighted the Annual Agency Plan routine accomplishments and new initiatives over the past year and the AHAP within the following categories: administering Housing Choice Voucher and Public Housing Programs; creation of the Housing Trust Fund; creation and preservation of affordable housing; preventing and ending homelessness; community education and landlord engagement; successful administration of the Community Development Block Grant; assisting participants who are victims of domestic abuse; and continuing to build partnerships.

Ms. Cunningham commented that the plan was posted for public comment and Resident Advisory Committee Meetings were held on September 2.

Chair Massad opened the public hearing. There being no one wishing to speak, Chair Massad closed the public hearing.

Ms. Melby-Kelley moved and Ms. Hatanpa seconded a motion to approve the Resolution approving the 2026 Mankato Annual Agency Plan. The motion carried unanimously.

5. **Reports/EDA Comments**

None.

6. **Adjournment**

There being no further business, Ms. Hatanpa moved and Mr. Mettler seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:17 p.m.

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

AGENDA RECOMMENDATION

Economic Development Authority **4. A.**

Meeting Date: 10/14/2025

Agenda Item:

Resolutions accepting feasibility report and ordering project for Capital Improvement Projects 11203 & 11204; Orness Plaza and Mankato Scattered Sites RAD Conversion improvements.

Recommendation/Action(s):

Adoption of the attached resolutions

Summary:

In August 2024, the Housing Division contracted Dominion Due Diligence Group (D3G) to perform a Capital Needs Assessment (CNA) on select public housing units in Mankato in preparation for the RAD conversion. The Capital Needs Assessment identifies Critical and Non-Critical repairs that the Department of Housing and Urban Development (HUD) requires the Mankato EDA to perform in conjunction with the RAD conversion. HUD mandated that repair contracts are executed in advance of the conversion to address the repairs identified in the CNA and requires the specified repairs to be completed within 12 months of the conversion. The public housing units that were assessed include Orness Plaza (101 units), 500-512 Agency Road (4 units), 2005-2021 Hoffman Road (5 units), 617 E. Elm Street (3 units), 601-605 Harper Street (5 units), 1617-1621 5th Avenue (6 units), and 913-925 Mayvis Boulevard (6 units).

The CNA identified the following types of critical and non-critical repairs including: parking lot pavement markings, audio/visual alarm installation, tree maintenance, plumbing, HVAC, fire panel upgrades, flooring, ceiling tile, appliances (ranges & refrigerators), miscellaneous exterior concrete repairs and maintenance, sewer and water service upgrades, design/construction administration services to convert one unit into an ADA compliant property, electrical upgrades (GFI installation), deck maintenance, exterior pressure washing, and kitchen cabinet replacement. The report generated property specific repairs and multiple contracts will be required due to different wage rate definitions.

The project is proposed to be funded by the 2026 Mankato EDA Housing Capital Budget. The estimated cost of the necessary improvements is $760,551.02. The required repairs to Orness Plaza, 500-512 Agency Road, 2005-2021 Hoffman Road, 617 E. Elm Street, 601-605 Harper Street, 1617-1621 5th Avenue, and 913-925 Mayvis Boulevard are being proposed to start in February 2026 and are expected to be completed in December 2026.

The estimated costs and funding sources for the project are as follows:

ITEM	COST
Orness Plaza Improvements	$548,086.19
Mankato Scattered Sites Improvements	$143,323.83
TOTAL CONSTRUCTION	**$691,410.02**
Construction Contingency — 10%	$69,141.00
TOTAL PROJECT COST	**$760,551.02**

FUNDING SOURCE	AMOUNT	PERCENT
2026 Housing Capital Fund	$760,551.02	100%
TOTAL FUNDS	**$760,551.02**	**100%**

Staff recommends the Economic Development Authority accept the project feasibility report, order city staff to prepare final plans and specifications, and instruct the Executive Director to advertise for bids in accordance with the requirements of law.

Attachments

11203 Resolution

11204 Resolution

11203/11204 Feasibility Report

RESOLUTION RECEIVING FEASIBILITY REPORT, ORDERING IMPROVEMENT, PREPARATION OF PLANS, SPECIFICATIONS, AND ORDERING ADVERTISEMENT FOR BIDS ON IMPROVEMENT NUMBER 11203, WITHOUT PETITION

WHEREAS, a report has been prepared by city staff with reference to Improvement Number 11203, the repairs and improvements to Orness Plaza in Mankato, MN and that this report was received by the Authority on the 14th day of October, 2025, and

WHEREAS, the report provides information regarding whether the proposed improvements are necessary, cost-effective, and feasible; whether it should be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and

NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO, MINNESOTA:

1. The authority hereby orders the repairs and improvements identified in accordance with the report.

2. That plans and specifications be prepared by city staff of Mankato, Minnesota, for such improvement, pursuant to the direction of the Authority, are hereby approved and a copy shall be filed with the city clerk of Mankato.

3. The Executive Director is hereby instructed to advertise for the bids in accordance with the requirement of law.

Roll call vote required:
Council Members Voting For:
Council Members Voting Against:

This resolution shall become effective upon its adoption.

Passed this 14th day of October, 2025

____
Najwa Massad
Board Chair

ATTEST:____________________________________
Susan MH Arntz
Executive Director

RESOLUTION RECEIVING FEASIBILITY REPORT, ORDERING IMPROVEMENT, PREPARATION OF PLANS, SPECIFICATIONS, AND ORDERING ADVERTISEMENT FOR BIDS ON IMPROVEMENT NUMBER 11204, WITHOUT PETITION

WHEREAS, a report has been prepared by city staff with reference to Improvement Number 11204, the repairs and improvements to 500-512 Agency Road, 2005-2021 Hoffman Road, 617 E. Elm Street, 601-605 Harper Street, 1617-1621 5th Avenue, and 913-925 Mayvis Boulevard in Mankato, MN and that this report was received by the Authority on the 14th day of October, 2025, and

WHEREAS, the report provides information regarding whether the proposed improvements are necessary, cost-effective, and feasible; whether it should be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and

NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO, MINNESOTA:

4. The authority hereby orders the repairs and improvements identified in accordance with the report.

5. That plans and specifications be prepared by city staff of Mankato, Minnesota, for such improvement, pursuant to the direction of the Authority, are hereby approved and a copy shall be filed with the city clerk of Mankato.

6. The Executive Director is hereby instructed to advertise for the bids in accordance with the requirement of law.

Roll call vote required:
Council Members Voting For:
Council Members Voting Against:

This resolution shall become effective upon its adoption.

Passed this 14th day of October, 2025

____
Najwa Massad
Board Chair

ATTEST:____________________________________
Susan MH Arntz
Executive Director

ORNESS PLAZA AND MANKATO SCATTERED SITES RAD CONVERSION IMPROVEMENTS

Project Feasibility Report

City Project Nos. 11203 & 11204

October 6, 2025

I. TABLE OF CONTENTS

II. PROJECT CONTACTS

TITLE	NAME	PHONE	EMAIL
Mayor	Najwa Massad	507.387.9693	nmassad@mankatomn.gov
Councilor at Large	Mike Laven	507.720.8674	mlaven@mankatomn.gov
Councilor Ward 1	Michael McLaughlin	507.720.1093	mmclaughlin@ mankatomn.gov
Councilor Ward 2	Dennis Dieken	507.720.1817	ddieken@mankatomn.gov
Councilor Ward 3	Kevin Mettler	507.995.0070	kmettler@ mankatomn.gov
Councilor Ward 4	Jenn Melby-Kelley	507.720.2502	jmelby-kelley@mankatomn.gov
Councilor Ward 5	Jessica Hatanpa	507.613.8067	jhatanpa@mankatomn.gov
City Manager	Susan Arntz	507.387.8695	sarntz@mankatomn.gov
Director of Admin. Services	Parker Skophammer	507.387.8739	pskophammer@ mankatomn.gov
Director of Construction and Facilities	Jim Tatge	507.387.8504	jtatge@mankatomn.gov
Construction Manager	Luke Pederson	507.995.7204	lpederson@mankatomn.gov

III. EXECUTIVE SUMMARY

In August of 2024 the Housing Division contracted Dominion Due Diligence Group (D3G) to perform a Capital Needs Assessment (CNA) on select public housing units in Mankato in preparation for the RAD conversion. The Capital Needs Assessment identifies Critical and Non-Critical repairs that the Department of Housing and Urban Development (HUD) requires the Mankato EDA to perform in conjunction with the RAD conversion. HUD mandated that repair contracts are executed in advance of the conversion to address the repairs identified in the CNA and requires the specified repairs to be completed within 12 months of the conversion. The public housing units that were assessed include Orness Plaza (101 Units), 500-512 Agency Road (4 units), 2005-2021 Hoffman Road (5 units), 617 E. Elm Street (3 units), 601-605 Harper Street (5 units), 1617-1621 5th Avenue (6 units), and 913-925 Mayvis Boulevard (6 units).

The CNA identified the following types of critical and non-critical repairs including: Parking lot pavement markings, Audio/Visual Alarm installation, Tree maintenance, Plumbing, HVAC, Fire Panel upgrades, Flooring, Ceiling Tile, Appliances (Ranges & Refrigerators), Miscellaneous exterior concrete repairs and maintenance, Sewer and water service upgrades, Design/Construction Administration Services to convert one unit into an ADA complaint property, Electrical upgrades (GFI installation), Deck maintenance, Exterior pressure washing, and Kitchen cabinet replacement. The report generated property specific repairs and multiple contracts will be required due to different wage rate definitions.

The estimated cost of these necessary improvements is approximately $760,551.

From a building maintenance standpoint, the proposed improvements are necessary, cost effective, and feasible. This can best be accomplished by letting competitive bids for the work. It is recommended that the Authority accept this project feasibility report so bidding process for this project can be commenced as soon as possible.

IV. PROJECT INTRODUCTION

The recommended repair project at Orness Plaza, 500-512 Agency Road, 2005-2021 Hoffman Road, 617 E. Elm Street, 601-605 Harper Street, 1617-1621 5th Avenue, and 913-925 Mayvis Boulevard in Mankato, MN is being proposed to start in February of 2026. The Economic Development Authority has authorized the preparation of a project feasibility report to define the scope and determine the reasonableness of the project. The specific objectives of this preliminary feasibility report are to:

- Evaluate the need for this project.
- Determine the necessary improvements.
- Provide information on the estimated costs for the proposed project.
- Determine the project schedule.
- Determine the feasibility of the proposed project.

This project, as proposed, involves performing repairs or making improvements to the select public housing units in Mankato, MN. Specific items that will be included in the construction are as follows:

- Handicap & Pavement Markings at Orness Plaza, 500-512 Agency Road, 2005-2021 Hoffman Road, 617 E. Elm Street, 601-605 Harper Street, 1617-1621 5th Avenue, and 913-925 Mayvis Boulevard.

- Add Audio/Visual Alarms to two randomly selected units surveyed in the CNA.
- Perform Tree maintenance on the Grounds of Orness Plaza
- Replace Domestic Hot Water Circulation Pumps at Orness Plaza
- Replace 2 Hot Water Storage Tanks at Orness Plaza
- Replace 2 Geothermal Circulating Pumps at Orness Plaza
- Replace Mini-Split Unit that cools Orness Plaza Laundry Room
- Replace 2 Roof Top Units at Orness Plaza. One provides conditioned fresh air to the apartments, and one provides conditioned air to the atrium
- Replace Fire Alarm System Panel at Orness Plaza
- Replace sports flooring in select common areas at Orness Plaza
- Replace LVT Flooring in 3 units at Orness Plaza
- Install new LVT Flooring at 4 units on Mayvis Boulevard
- Replace vinyl stair treads at 617 E. Elm Street Apartment #1
- Replace ceiling tiles at Orness Plaza
- Replace 104 Refrigerators at Orness Plaza
- Replace 101 Gas Ranges at Orness Plaza
- Replace 24 Refrigerators at the Agency Road, Hoffman Road, E. Elm Street, Harper Street, 5th Avenue, and Mayvis Boulevard units
- Replace 24 Gas Ranges at the Agency Road, Hoffman Road, E. Elm Street, Harper Street, 5th Avenue, and Mayvis Boulevard units
- Replace concrete adjacent to front door at 500 Agency Road
- Mitigate tripping hazards on concrete sidewalks surrounding the E. Elm Street and Mayvis Boulevard units
- Concrete joint cleaning and sealing of sidewalks at Agency Road, Hoffman Road, E. Elm Street, Harper Street, and 5th Avenue units
- Replace 3 sets of sewer and water services at Mayvis Boulevard, Harper Street, and 5th Avenue units
- Securing a Professional Services contract for design/construction administration services to convert one unit amongst the 5th Avenue, E. Elm Street, Harper Street, Agency Road, and Mayvis Boulevard units to an ADA compliant unit.
- Install GFI Electrical outlets in Kitchens at Agency Road, Hoffman Road, and Mayvis Boulevard properties.
- Kitchen cabinet repairs at 921 Mayvis Boulevard
- Replace Balusters as needed on Decks at Agency Road and Hoffman Road units
- Pressure washing siding in its entirety at 617 E. Elm Street

V. APPROVALS/PERMITS

Approvals and permits are required from various agencies for the construction of the project. They include:

- Plumbing Permit
- Building Permit
- Right of Way Permit

VI. PROJECT COST ESTIMATE AND FINANCING

Estimated projections for the cost of this project are summarized below.

ITEM	COST
Orness Plaza	$548,086.19
Mankato Scattered Sites	$143,323.83
TOTAL CONSTRUCTION	**$691,410.02**
10% Construction Contingency	$69,141.00
TOTAL PROJECT COST	**$760,551.02**

Funding for the proposed improvements is shown in the table below.

FUNDING SOURCE	AMOUNT	PERCENT
2026 Housing Capital Fund	$760,551.02	100%
TOTAL FUNDS	**$760,551.02**	**100%**

VII. POSSIBLE SCHEDULE

The following is a possible schedule for the proposed improvements for the RAD Conversion:

10/24/2025	Bid Project
11/21/2025	Bid Opening
12/08/2025	Award Project
02/01/2026	Construction/Project Commences
12/01/2026	Project Completion and Closeout

VIII. CONCLUSION AND RECOMMENDATIONS

Taking the existing conditions of the units identified in the Capital Needs Assessment into consideration, HUD will not allow the RAD Conversion to occur without having contracts executed to perform the identified repairs/improvements. If these repairs/improvements are not made, maintenance costs will continue to be an issue and further deterioration to the units will likely occur which will likely result in higher repair costs. From a building maintenance standpoint, this project is cost effective, necessary, and feasible. The best way to accomplish this project is by letting competitive bids for the work. Feasibility is contingent upon Economic Development Authority findings with respect to project financing.

We recommend the Authority accept this project feasibility report, set a date for the preliminary assessment hearing, order Staff to prepare final plans and specifications and instruct the Executive Director to advertise for bids in accordance with the requirement of law.

AGENDA RECOMMENDATION

Economic Development Authority **4. B.**

Meeting Date: 10/14/2025

Agenda Item:

Resolution adopting the payment standard schedule for the Housing Choice Voucher Program.

Recommendation/Action(s):

Adoption of the attached Resolution

Summary:

The Housing Choice Voucher program's regulations recognize that some flexibility is required to allow the EDA to adapt the program to local conditions. The payment standard sets the maximum subsidy payment a family can receive from the EDA each month. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions, FMRs are set at the 40th percentile of rents in the market area.

The EDA establishes a payments standard within a HUD approved basic range between 90 and 110 percent of the published FMR for each unit size. Current payment standards remain in this acceptable range and staff recommend payment standards remain at current level.

The PHA reviews the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range", the PHA considers the following factors when determining whether an adjustment should be made to the payment standard schedule:

- **Funding Availability**: The PHA reviewed the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The PHA compared the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts. With FMRs reduced this year, payment standards are recommended to remain the same. The EDA is under-utilizing vouchers due to lack of funding which limits our ability to raise payment standards.
- **Rent Burden of Participating Families:** Rent burden was determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA considers increasing the payment standard. Due to the reduction of Fair Market Rents, staff does not recommend increases to the payment standards.

- **Quality of Units Selected**: The PHA reviewed the quality of units selected by participant families when making the determination of the percentage of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market. Staff complete rent reasonableness at lease up, encourage leasing outside areas of low-income census tracts, and monitors rental rates through regular housing studies.
- **Changes in Rent to Owner**: The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percentage of increases/decreases by bedroom size. Staff is not seeing decreases in rents and rents were assessed with anticipated increases at 5–10%.
- **Unit Availability:** The PHA reviews the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families. 1 BR availability continues to be limited.
- **Lease-up Time and Success Rate**: The PHA does consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing. Households are taking 2-4 months to secure housing, which is slightly longer than their voucher time limit.

Changes to payment standard amounts will be effective on December 1st of every year unless, based on the proposed FMRs, it appears that one or more of the PHA's current payment standard amounts will be outside the basic range when the final FMRs are published. In that case, the PHAs payment standards will be effective October 1 st instead of December 1st.

Current Payment Standards remain the same for each bedroom size and are between 104% to 108% of the Fair Market Rent provided by HUD. These Payment Standards will be effective December 1, 2025. The board is asked to approve by resolution the Payment Standards as revised.

Attachments

Resolution

RESOLUTION
ADOPTING PAYMENT STANDARD SCHEDULE FOR THE
MANKATO EDA SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

WHEREAS, the United States Department of Housing and Urban Development requires the adoption of payment standards for its Section 8 Housing Choice Voucher Program; and

WHEREAS, the Mankato Economic Development Authority has entered an Annual Contributions Contract to provide Section 8 Housing Choice benefits to Blue Earth County residents; and

WHEREAS, the Mankato Economic Development Authority has reviewed the proposed Payment Standards identified in the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Mankato Economic Development Authority adopts the proposed Payment Standards effective December 1, 2025.

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

Adopted this 14th day of October 2025.

____

Najwa Massad, Board Chair

ATTEST:

____

Susan MH Arntz, Executive Director

EXHIBIT A

BLUE EARTH COUNTY PAYMENT STANDARDS

Effective: 12/1/2025

Bedroom Size	Old Standard	FMR	New Standard	Increase
Efficiency	$1011	$971	$1011	104%
1 Bedroom	$1046	$977	$1046	107%
2 Bedroom	$1267	$1171	$1267	108%
3 Bedroom	$1710	$1629	$1710	105%
4 Bedroom	$2030	$1916	$2030	106%
5 Bedroom	$2312	$2203	$2312	105%

AGENDA RECOMMENDATION

Economic Development Authority **5. A.**

Meeting Date: 10/14/2025

Agenda Item:

Replacement of 1970s scattered site public housing units using the Low Income Housing Tax Credit program.

Recommendation/Action(s):

No action required.

Summary:

As part of the RAD conversion of Mankato's scattered-site public housing, we are requesting HUD approval to transfer Housing Assistance Payment (HAP) contracts for 40 units originally constructed in the 1970s. These units need replacement due to significant structural issues, primarily stemming from water damage within the walls caused by their original design. Several units also face ongoing issues related to sewer replacement needs, hillside erosion, limited green space for children, and inadequate parking.

The proposed HAP transfer is contingent upon securing Low-Income Housing Tax Credits (LIHTCs) through Minnesota Housing. To support this effort, staff will engage a development consultant from Rippley Richards to assist with the application to Minnesota Housing, planned for July 2026. The consultant's responsibilities will include project and team coordination, financial modeling, preparation of funding applications, and support through financial closing and the start of construction. Rippley Richards has a strong history of successful partnerships with Minnesota Housing on LIHTC-funded projects and brings valuable experience in guiding RAD conversions for unit replacement.

The goal is to develop a new family townhome community—like the Breckenridge Townhomes in Eagle Lake, managed by the Blue Earth County EDA—that would provide a one-for-one replacement of the existing units. The proposed unit mix includes 4 two-bedroom townhomes, 29 three-bedroom townhomes, and 7 four-bedroom single-family homes.

This proposed HAP transfer presents an opportunity to consolidate housing onto a single site, enhancing property management and maintenance efficiency through a consistent on-site staff presence. It also enables us to address issues at the scattered locations such as hillside erosion, site density, green space needs, and expanding opportunities for homeownership.

We are in discussions with Habitat for Humanity of South-Central Minnesota and Southwest Minnesota Housing Partnership to explore a collaborative effort to redevelop the former scattered sites into additional affordable housing through the Partnership Community Land Trust. Redevelopment grant funding is available to assist with the demolition of the deteriorated units.