MINUTES

Mankato Economic Development Authority
Regular Meeting
October 14, 2025 - 7:59 p.m.
IGC - Mankato Room

1. **Call Meeting to Order**

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

Staff Present: Executive Director Susan Arntz, Community Development Director Mark Konz, Associate Director of Housing and Economic Development, Facilities Project Manager Jim Tatge, and City Clerk Renae Kopischke.

2. **Approval of Agenda**

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

3. **Approval of Minutes**

A. Mr. McLaughlin moved and Ms. Hatanpa seconded a motion to approve the minutes of the Economic Development Authority Meeting of September 8, 2025, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

A. Mr. Tatge reported that in August 2024, the city 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. He stated that the CNA identifies critical and non-critical repairs that the Department of Housing and Urban Development (HUD) requires be performed in conjunction with the RAD conversion. He noted that HUD mandated repair contracts be executed in advance of the conversion to address the repairs identified in the CNA and require the specified repairs to be completed within 12 months of the conversion.

Mr. Tatge indicated that the project is proposed to be funded by the 2026 EDA Housing Capital Budget, with the estimated cost of the improvements being $760,551.02. He commented that the required repairs to Orness Plaza (101 units), 500-512 Agency Road (4 units), 2005-2021 Hoffman Road (5 units), 617 East Elm Street (3 units), 601-605 Harper Street (5 units), 1617-1621 5th Avenue (6 units), and 913-925 Mayvis Boulevard (6 units) are proposed to start in February 2026 and are expected to be completed in December 2026. He summarized the estimated costs and funding sources for the project.

Mr. Laven moved and Mr. Mettler seconded a motion to approve the Resolutions accepting feasibility report and ordering project for Capital Improvement Projects 11203 and 11204; Orness Plaza and Mankato Scattered Sites RAD Conversion improvements. The motion carried unanimously.

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

Ms. Bokelmann explained that 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. She mentioned that staff recommend payment standards remain at the current level, which is in the acceptable range.

Ms. Bokelmann touched on the process and summarized the additional factors in determining whether an adjustment should be made to the payment standard schedule. She indicated that changes to payment standard amounts will be effective on December 1 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. She added that in that case, the PHAs payment standards will be effective October 1 instead of December 1.

Mr. McLaughlin moved and Ms. Melby-Kelley seconded a motion to approve the Resolution adopting the payment standard schedule for the Housing Choice Voucher Program . The motion carried unanimously.

5. **Reports/EDA Comments**

A. Ms. Bokelmann reported that as part of the RAD conversion of Mankato's scattered-site public housing, HUD approval is requested to transfer Housing Assistance Payment (HAP) contracts for 40 units originally constructed in the 1970s. She explained that the units need replacement due to significant structural issues, primarily stemming from water damage within the walls caused by their original design and several units also face ongoing issues related to sewer replacement needs, hillside erosion, limited green space for children, and inadequate parking.

Ms. Bokelmann summarized the process and indicated that the goal is to develop a new family townhome community that would provide a one-for-one replacement of the existing units. She noted that the proposed unit mix includes four two-bedroom townhomes, 29 three-bedroom townhomes, and seven four-bedroom single-family homes.

Ms. Bokelmann commented on 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. She mentioned redevelopment grant funding is available to assist with the demolition of the deteriorated units.

6. **Adjournment**

There being no further business, Mr. Mettler moved and Mr. McLaughlin seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 8:08 p.m.

Prepared by:

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Renae Kopischke
City Clerk

Approved by:

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Najwa Massad
Chair