

RESOLUTION AUTHORIZING THE RAD/SECTION 18 CONVERSION AND DISPOSITION TO THE CITY OF MANKATO

WHEREAS, the Economic Development Authority of Mankato (EDA) owns and operates certain public housing units located throughout the city of Mankato, Minnesota, including Orness Plaza and scattered site units totaling one hundred thirty units (collectively, the Development); and

WHEREAS, the EDA previously disposed of forty-nine (49) public housing scattered site units pursuant to Section 18 of the United States Housing Act of 1937 as amended the (Section 18 Units) to the City of Mankato (City) on April 1, 2025; and

WHEREAS, the EDA has applied for and received HUD approval to convert the remaining one hundred thirty (130) public housing units to long-term Section 8 assistance under HUD's Rental Assistance Demonstration program (RAD), together with a Section 18 blend (collectively the RAD/Section 18 Conversions); and

WHEREAS, the EDA will sell the Development to the City for a nominal amount; and

WHEREAS, in connection with the RAD/Section 18 Conversions, the EDA will enter into two (2) RAD Housing Choice Voucher Program, Project-Based Voucher Housing Assistance Payments contracts (RAD HCV PBV HAP Contracts) with the City and act as contract administrator for the receipt of subsidy from HUD for the converted units; and

WHEREAS, the EDA operates a Housing Choice Voucher (HCV) program and possesses sufficient administrative capacity to satisfy applicable HUD requirements for the administration of RAD Project-Based Vouchers (PBV);

WHEREAS, there is no financing or low-income housing tax credits in connection with the RAD/Section 18 Conversions; and

WHEREAS, the Development's tax exemption will continue pursuant to a payment in lieu of tax agreement (PILOT); and

WHEREAS, the EDA has been informed of the foregoing transactions and has determined that it is in the best interests of the EDA and the residents it serves to proceed with such actions.

NOW, THEREFORE, BE IT RESOLVED THAT the EDA supports and hereby authorizes and approves the contemplated RAD/Section 18 Conversions; and it is

FURTHER RESOLVED, that the EDA hereby authorizes and approves the disposition and sale of the Section 18 Units by the Authority to the City for nominal consideration, and authorizes the City to acquire, own, and operate such units as affordable housing; and it is

FURTHER RESOLVED, the EDA is hereby authorized to enter two (2) PBV HAP Contracts with the City in connection with the RAD/Section 18 Conversions for the receipt of subsidy for the applicable units, and to administer such contracts in accordance with HUD requirements; and it is

FURTHER RESOLVED, that the Executive Director of the EDA, or her designee, is hereby authorized and directed, for and on behalf of the EDA, to negotiate, execute, and deliver all agreements, documents, instruments, and certifications, including but not limited to purchase and sale agreements, RAD Section 8 PBV HAP contracts, management agreements, and to take any and all actions deemed necessary or appropriate to carry out the intent and purposes of this Resolution;

FURTHER RESOLVED, that all prior actions taken by the Executive Director, or her designee, in furtherance of the foregoing transactions are hereby ratified, confirmed, and approved in all respects; and it is

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

Adopted this 11 day of May 2026.

ATTEST:

Najwa Massad, Board Chair

Susan MH Arntz, Executive Director