INTERGOVERNMENTAL AGREEMENT

FOR COOPERATIVE ADMINISTRATION OF THE HOUSING CHOICE VOUCHER PROGRAM AND AFFORDABLE HOUSING INITIATIVES

This Intergovernmental Agreement ("Agreement") is made and entered into by and between the **Economic Development Authority of Mankato, Minnesota**, located at Intergovernmental Center, 10 Civic Center Plaza, Mankato, MN 56001 ("City"), and the **Economic Development Authority of Blue Earth County, Minnesota**, located at 204 S 5th Street, Mankato, MN 56001 ("County"). Together, the City and County are referred to as the "Parties."

WHEREAS, the City approved this Agreement by action at its May 11, 2026, meeting (Resolution No. __________) and the governing body of the County approved this Agreement by action at its May 12, 2026 meeting (Resolution No. __________) .

NOW, THEREFORE, the County and the City agree as follows:

Background and Shared Intent

The City and County share a longstanding commitment to ensure that all residents have access to safe, stable, and affordable housing. Recognizing that housing challenges extend beyond jurisdictional boundaries, the Parties have taken deliberate steps to build a coordinated regional approach to housing policy, investment, and program delivery.

Through the establishment of the Affordable Housing Trust Fund pursuant to Minnesota Statutes, Section 462C.16, and the creation of a joint Advisory Committee, the Parties formalized a collaborative structure for addressing housing needs. This work reflects a shared understanding that housing stability is foundational to economic opportunity, public health, and community vitality.

This collaboration includes the coordinated administration of both federal and state rental assistance programs, specifically the **Housing Choice Voucher (HCV) Program** and the **Bring It Home (BIH) Rental Assistance Program**, aligning these resources with local housing development strategies to create a comprehensive and seamless housing continuum.

The Parties affirm a shared commitment to advancing housing equity and embracing the principles of inclusion, fairness, and community-centered decision-making. This includes prioritizing those most impacted by housing instability, expanding participation in housing systems, and ensuring that all residents have the opportunity to live and thrive in a community of their choice.

Purpose and Regional Scope

This Agreement establishes a unified framework for regional collaboration across housing programs, funding tools, and policy initiatives. The intent is to align resources and responsibilities in a manner that maximizes impact, reduces duplication, and improves housing outcomes across the region.

The geographic scope of this collaboration extends beyond Blue Earth County to include a broader regional service area for certain programs which serves:

Blue Earth, Brown, Faribault, LeSueur, Martin, Nicollet, Pipestone, Rock, Sibley, Waseca, and Watonwan Counties.

Within this framework, the Parties will work collaboratively with regional Housing and Redevelopment Authorities (HRAs), Economic Development Authorities (EDAs), and partner organizations to deliver housing assistance efficiently and equitably.

A Coordinated Housing Continuum

The Parties agree to pursue a comprehensive housing strategy that spans the full continuum of need, including:

- Homelessness prevention and response
- Rental assistance for cost-burdened households
- Development and preservation of affordable and workforce housing
- Mixed-income housing strategies
- Pathways to homeownership

Housing is considered affordable when a household pays no more than thirty percent (30%) of its gross income toward housing costs, consistent with standards established by the U.S. Department of Housing and Urban Development (HUD).

Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) is a cornerstone of the Parties' collaborative efforts. It is designed as a permanent and renewable funding source to support the development, preservation, and accessibility of affordable housing.

The Fund supports activities including new construction, rehabilitation, mixed-income development, homelessness prevention, and financial assistance to households. It is administered by the Mankato Economic Development Authority (EDA), with shared oversight from both the City and County EDAs and guidance from the Affordable Housing Trust Fund Advisory Committee.

All definitions, funding sources, governance structures, and eligible uses outlined in a separate MOU that is attached in Exhibit A of this Agreement.

Housing Choice Voucher Program Coordination

Grant funding from the U.S. Department of Housing and Urban Development (HUD) through the federal Housing Choice Voucher (HCV) Program for the administration of tenant-based and project-based rental assistance that provides 579 Vouchers in Mankato164 vouchers in Blue Earth County.

The City, which has established expertise in administering the federal HCV Program within Blue Earth County, is being designated by the County to administer the program on its behalf as a core component of the regional housing system. This designation includes aligning voucher assistance with housing and supportive services to ensure that participating households can access and maintain stable housing and seek economic independence.

Program administration will include, but is not limited to, the following functions:

- Waitlist management and applicant coordination
- Landlord outreach, engagement, and retention
- Housing inspections and enforcement of quality standards
- Eligibility determination, contract execution, and monthly subsidy payments
- Data sharing and reporting in compliance with applicable privacy laws
- Coordination with supportive services and homelessness response systems

The City will operate the HCV Program in full compliance with all HUD regulations and guided by the agency's Administrative Plan that is attached as Exhibit B.

The City will serve as the County's liaison with the U.S. Department of Housing and Urban Development (HUD) and will keep the County informed of any HUD concerns, notices, and regulatory changes affecting the Project. The City is responsible for preparing and submitting all required reports to HUD and other federal agencies within required timelines and will provide copies to the County. If any report cannot be submitted on time, the City must promptly notify the County and provide regular status updates until resolved.

The City will also monitor and analyze applicable laws and regulations, advise the County of changes, and, when directed, prepare communications reflecting the County's position. The City may also make recommendations to governmental bodies, provided the County receives copies of such communications.

HUD, the County, and the U.S. Inspector General will have full access to the Project and all relevant City records for audit and review purposes. The City must maintain all records in accordance with HUD-approved retention requirements.

The HCV Program will serve as a foundational rental assistance tool, integrated with local housing investments and regional strategies to maximize housing stability and participant choice. By aligning the HCV Program with broader housing initiatives, the Parties seek to increase voucher utilization, expand access to quality housing, and ensure that assisted households have meaningful housing options throughout the region.

Bring It Home (BIH) Rental Assistance Program

The Bring It Home (BIH) Rental Assistance Program is a state-funded initiative designed to provide rental assistance to low-income, cost-burdened households across Minnesota. The program is funded through state appropriations and dedicated housing revenue sources and is administered in accordance with Minnesota Statute 462A.05, subdivision 8. The Bring It Home program provides approximately 150 vouchers.

The City serves as the Grantee and Administrator for the BIH Program. The BIH Program is implemented through a regional partnership that includes HRAs and EDAs serving multiple counties. These partners collectively support program delivery, referrals, and coordination of services.

Participating partners include, but are not limited to:

- Blue Earth County EDA
- Minnesota Valley Action Council (Faribault and LeSueur Counties)
- New Ulm EDA
- Pipestone HRA
- South Central Minnesota Multi-County HRA

All partners agree to support a coordinated regional approach and to comply with program requirements established by Minnesota Housing. All definitions, funding sources, governance structures, and eligible uses outlined in a separate MOU that is attached in Exhibit C of this Agreement.

Roles and Responsibilities - Compliance with Governmental Orders

The City, serving as program Administrator, is responsible for overseeing all aspects of grant implementation and compliance. This includes executing grant agreements and ensuring adherence to all applicable requirements. City will take such action as may be necessary to comply promptly with all government orders or other requirements affecting Programs, whether imposed by federal, state or local authority.

The City administers program funds and issues housing assistance payments while maintaining comprehensive policies and procedures to guide operations. It conducts regular inspections to ensure that housing units meet established quality standards and manages all data collection, reporting, and compliance obligations. In addition, the EDA actively engages landlords to sustain and expand the available housing inventory. Throughout its work, the organization is committed to ensuring equitable access to services and delivering participant-centered support.

The City shall take no such action so long as County is contesting, or has affirmed its intentions to contest, any such order or requirement. The City will notify County, in writing, of all notices of such governmental orders or other requirements within three (3) business days of the time of their receipt. County will notify City, in writing, of all notices of such governmental orders or other requirements within three (3) business days of the time of their receipt. The City will take all necessary steps to obtain and maintain in effect any licenses and registrations required under applicable law for the intended use and operation of programs.

Financial Responsibilities

Financial responsibility under this Agreement remains with each Party for its respective commitments, except in cases where alternative arrangements have been mutually agreed upon. The Affordable Housing Trust Fund will continue to function as a shared resource, with all expenditures requiring approval from the EDAs based on recommendations provided by the Advisory Committee. Funding for the Housing Choice Voucher program will remain federally sourced and must be administered in full compliance with all applicable HUD regulations. In this structure, the City serves as the administrative agent responsible for managing program accounts and overseeing the budgeting process.

In its role as Administrator, the City is responsible for all aspects of financial administration. This includes submitting funding requests to appropriate funders, disbursing Housing Assistance Payments (HAP) to landlords, disbursing funds to awarded agencies, and receiving as well as allocating administrative fees in proportion to program utilization. These administrative fees may be used to support program operations; however, all expenditures must align with program requirements and be directly tied to eligible program activities.

The City will prepare annual operating plans and budgets for the Project and submit them to the County at least 120 days prior to the start of each fiscal year. The County will review, approve, or modify these submissions and provide direction to the City. Either party may propose revisions during the year, but any changes require County approval and, where applicable, HUD approval. The approved budget and plans will govern the City's management of the Project.

Insurance

City shall carry (a) worker's compensation insurance, for compensation to any person engaged in the performance of any work undertaken under this Agreement (b) commercial general liability insurance and excess/umbrella liability insurance policies. The City shall provide County with a Certificate of Insurance.

Fidelity Bond and Agent's Insurance

City shall furnish and maintain at its own cost and expense for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, or as otherwise required by any applicable party, a commercial blanket bond in favor of County and, as applicable, other applicable parties, in an amount sufficient to meet the requirements of County and the other applicable parties, and in a form and with a company acceptable to County, which commercial blanket bond shall cover City and all employees hired by City in connection with the Agreement. City shall furnish and maintain for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, or as otherwise required by any applicable party, such insurance as may be required in the amounts required.

Non-Discrimination

In the performance of its obligations under this Agreement, City will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, sex, sexual orientation, familial status, handicap, national origin or any other protected status.

Employees

The number, qualifications, and duties of personnel to be employed in the management of the Programs, will be determined by City in accordance with the County-approved budget and the program plans, and in accordance with any Section 3, local hire, or similar obligations of the Project. All such employees will be deemed employees of City, not County, and will be hired, supervised, and discharged by the City. Compensation (including payroll taxes, fringe, and health and disability benefits) payable to all full and part time on-site personnel; local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workmen's compensation insurance); and other direct cost incident to the employment and training of such personnel will be paid from the Operating Account and will be treated as a Program expense, subject to the following conditions:

(a) The compensation (including payroll taxes, fringe, and health and disability benefits) of all employees will be within the City's sole discretion, provided that minimum wage standards are met.

(b) City shall maintain workers' compensation insurance covering all liability of the employer under established workers' compensation laws.

(c) City shall maintain employer's liability insurance and provide County with a Certificate of Insurance.

(d) City shall prepare, file and execute all required statements and reports relating to employees, including, but not limited to, payroll tax reports, as required under applicable federal, state, and local law, regulations, and/or ordinances.

Compensation

For the services provided hereunder, exclusive of reimbursement of expenses to which the City is entitled hereunder, The City will receive program administrative fees paid out of the Operating Account and treated as a Program expense

For any Program in which the City is related to the County, the City may agree to subordinate some part of its fee to Program cash flow and senior obligations. In such event, any portion of such fee not paid when due will accrue and be paid as soon as feasible.

Data, Compliance, and Equity

The Parties agree to comply with all applicable federal, state, and local laws, including the Minnesota Data Practices Act, HUD program requirements, and relevant privacy regulations such as HIPAA where applicable.

The Parties further commit to advancing equity in housing by:

- Centering those most impacted by housing instability
- Promoting inclusive and culturally responsive practices
- Expanding access to housing opportunities across all communities

Records created under this Agreement will be maintained in accordance with approved records retention schedules, and both Parties commit to transparency and accountability in program administration.

Program Status and Outcomes Reporting:

The City will provide quarterly, annual, and final reports to document programming progress and program outcomes.

Quarterly and annually, the City will report on:

- Participant demographics
- Determination of program exits
- Program Activity reports for move ins, interims, and move outs.
- Number of participants engaging in supportive services

- Financial statements of operations

The final report will include:

- Annual Audit

Term, Amendment, and Termination

This Agreement shall take effect upon execution by both Parties and will remain in effect for an initial term of five (5) years. It may be renewed for successive five-year terms upon mutual agreement.

The Agreement may be amended through a formal process approval by both EDAs.

Either Party may terminate the Agreement with sixty (60) days written notice and approval of funding agencies. In the event of termination, the Parties will work cooperatively to ensure an orderly transition of responsibilities, including compliance with all financial and regulatory obligations.

General Provisions

The Parties agree to carry out their responsibilities in a timely manner and to communicate regularly regarding progress, challenges, and opportunities. Each Party shall be responsible for the actions of its own officers, employees, and agents and shall not be liable for the actions of the other.

Disputes arising under this Agreement will first be addressed administratively, with escalation to the City Manager and County Administrator if necessary. The Agreement does not supersede existing statutory authorities or administrative procedures governing either Party.

If any provision of this Agreement is found to be invalid, the remaining provisions shall continue in full force and effect.

Agent Assumes No Liability for Past Practices

Notwithstanding anything to the contrary stated or implied herein, the City shall not be liable to the County in any context whatsoever for any acts or omissions of (a) County, (b) any past or present employees of County, (c) any previous employee at or providing services the Programs, or (d) any agent of (a)-(c) above. To the extent not expressly prohibited by law, the County shall indemnify and hold the City harmless from any and all claims, losses, demands, liabilities, actions, causes of action and obligations, of whatever nature and description, and all costs of defending same (including reasonable attorney's fees) which are in any way caused by, related to or predicated upon, any policies or practices of County and/or acts and/or omissions of the County or its prior management company or any of their employees predating the date of this Agreement.

Indemnification

County shall indemnify, defend and save the City harmless from all loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims incurred by or suffered by the City relative to the Program and/or relative to City's administration of Programs, except to the extent caused by or resulting from the illegal acts, gross negligence or willful misconduct of City.

The City shall indemnify, defend and save the County harmless from all loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims (i) for personal injury or property damage incurred or occurring in, on or about the Programs caused by or resulting from the illegal acts, gross negligence or willful misconduct of City or (ii) resulting from City's failure to comply with explicit obligations of this Agreement. The foregoing indemnity shall not apply to loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims resulting from the illegal acts, gross negligence or willful misconduct of County.

Notwithstanding the foregoing, if the City is ever a party to any litigation or proceeding commenced by a third party in which a claim or allegation is made that the City (or persons for whom it may be responsible) has violated a contract, acted illegally, been negligent or otherwise committed any wrongdoing through any act or omission then, until such time as final judgment is entered against the City finding the City to have engaged in willful misconduct or gross negligence, all costs and expenses of defense including attorney's fees shall be borne solely by County. Such costs of defense shall be paid for by the City using Program revenue or County advancing funds from time-to-time as defense costs are incurred.

Limitation of Liability

No manager, member, officer, director, agent, or employee of the City and no officer, director, trustee, member, partner, manager, agent, or employee of any manager or member of the City shall have any personal liability for the performance of any obligation by the City, or under or in connection with this Agreement or any acts done or omitted by the City. The County shall look only at the city and its assets for payment or performance under this Agreement. The City does not waive any applicable statutory limitations of liability applicable under state law.

Relationship of Parties

The relationship of the parties to this Agreement shall be that of principal and agent, and all duties to be performed by the City under this Agreement shall be for and on behalf of the County, in the County's name, and for County's account. In taking any action under this Agreement, the City shall be acting only as agent for County, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement, except that of principal and agent, or as requiring the City to bear any portion of losses arising out of or connected with the ownership or operation of the Programs. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that the City is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

Governing Law

This Agreement shall be governed by and construed and enforced exclusively in accordance with the laws of the State of Minnesota. Venue and jurisdiction for any dispute arising out of or relating to this Agreement shall be in the county where the Program administration is located.

Entire Agreement

This Agreement constitutes the entire agreement between City and County with respect to the operation of the Programs and supersedes and replaces any and all previous Intergovernmental agreements entered and/or negotiated between City and County related to Programs covered by this Agreement. Except as otherwise provided herein, no change will be valid unless made by supplemental written agreement, executed and approved in the same manner as this Agreement. Each Party to this Agreement hereby acknowledges and agrees that neither Party has made any warranties, representations, covenants, or agreements, express or implied, other than those expressly set forth herein and that each Party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, other than those expressly set forth herein.

Successors and Assigns. This Agreement shall ensure the benefit of and constitute a binding obligation upon City and County, and their respective successors and assigns; provided that neither City nor County shall assign this Agreement, and the rights and obligations herein set forth, without prior written consent of the other party. Notwithstanding the foregoing, County may assign its rights and obligations as required in connection with the Programs.

Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which, taken together, will constitute one instrument.

Electronic Signatures

This Agreement and any amendments, instruments, or documents to be executed in connection herewith may be executed and delivered by electronic means. Any signature delivered by electronic transmission (including PDF, email, electronic signing platform, or other electronic means consistent with Minn. Stat. ch. 325L) shall be deemed an original signature, shall be fully binding, and shall have the same legal effect as a handwritten signature executed in ink.

[Signature page follows.]

Signatures

IN WITNESS WHEREOF, the Parties have executed this Intergovernmental Agreement as of the dates indicated below.

ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO

By: ___________________________
Susan MH Arntz, Executive Director

Date: _________________________

ECONOMIC DEVELOPMENT AUTHORITY OF BLUE EARTH COUNTY

By: ___________________________
Joshua W Milow, Executive Director

Date: _________________________