

RESOLUTION ADOPTING SUSTAINABILITY FUNDING STRATEGIES FOR THE AFFORDABLE HOUSING TRUST FUND

WHEREAS, the Affordable Housing Trust Fund (AHTF) was established in 2024 through a collaborative partnership between the City of Mankato and Blue Earth County pursuant to Minnesota Statutes Section 462C.16 for the purpose of creating a permanent and renewable funding source to support affordable and workforce housing initiatives throughout Blue Earth County; and

WHEREAS, the City of Mankato and Blue Earth County entered a Memorandum of Understanding establishing the Mankato Economic Development Authority (EDA) as the fiscal administrator of the Affordable Housing Trust Fund; and

WHEREAS, the Affordable Housing Trust Fund was created to support the development, preservation, rehabilitation, and financing affordable and workforce housing, homelessness prevention activities, and other housing-related purposes authorized under Minnesota law; and

WHEREAS, the Affordable Housing Trust Fund Advisory Committee and EDA staff have evaluated long-term sustainability strategies intended to establish a stable local funding source capable of leveraging additional local, state, federal, and private housing resources; and

WHEREAS, the proposed sustainability funding strategies are intended to establish a renewable and sustainable local housing funding source, strengthen regional competitiveness for state and federal housing resources, provide local matching funds for grant and financing applications, support affordable housing preservation and rehabilitation activities, and advance regional housing priorities identified through housing studies and planning initiatives; and

WHEREAS, the proposed sustainability funding strategies include allocation of Affordable Housing Management Fee revenues associated with converted public housing units, not to exceed six percent (6%) of gross receipts, estimated to generate approximately \$60,000 annually; designation of EDA reserve funds to support long-term Affordable Housing Trust Fund sustainability efforts as approved in the EDA 2027 budget; and consideration of an annual Affordable Housing Trust Fund allocation as part of the proposed 2027 EDA levy and budget process pursuant to Minnesota Statute 469.107; and

WHEREAS, these funding strategies will support continued efforts to leverage Statewide Affordable Housing Aid funding, employer-based matching funds, private donations, grants, and other local, state, and federal funding opportunities.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Mankato, Minnesota, that the EDA adopts the proposed sustainability funding strategies for the Affordable Housing Trust Fund and directs staff to proceed with incorporation of the proposed funding mechanisms into future budget, levy, and housing funding discussions, including the proposed 2027 EDA budget and levy process.

BE IT FURTHER RESOLVED, that the EDA acknowledges that final appropriations and levy allocations related to the Affordable Housing Trust Fund shall remain subject to future budget approvals and applicable Minnesota levy requirements.

BE IT FURTHER RESOLVED, that the EDA directs staff to continue pursuing opportunities to leverage local funding commitments with additional state, federal, private, employer-based, philanthropic, and other housing resources to advance affordable housing initiatives throughout Blue Earth County.

This resolution shall become effective immediately upon passage.

Adopted this 13th day of July 2026.

Najwa Massad, Board Chair

Attest:

Susan MH Arntz, Executive Director