



## **AGENDA**

**Economic Development Authority  
Monday, October 13, 2026  
(following the Council Meeting at 6  
p.m.)  
IGC - Council Chambers**

1. **Call Meeting to Order**

2. **Approval of Agenda**

3. **Approval of Minutes**

Economic Development Authority Meeting of September 14, 2026

4. **Economic Development Authority Business**

- A. Resolution approving Economic Development Loan and Authorizing Executive Director to execute Economic Development Loan Documents with Verdant Agritech, LLC.
- B. Resolution adopting the payment standard schedule for the Mankato EDA Housing Choice Voucher Program.
- C. Resolution authorizing renewal and expansion of Family Self-Sufficiency Coordinator Funding.

5. **Adjournment**



## MINUTES

**Mankato Economic Development Authority  
Regular Meeting  
September 14, 2026 - 7:03 p.m.  
IGC - Council Chambers**

1. **Call Meeting to Order**

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

**Members Excused:** Kevin Mettler.

**Staff Present:** Executive Director Susan Arntz, Community Development Director Mark Konz, Facilities Manager Dustin Bornholdt, Economic Development Coordinator Courtney Kramlinger, Associate Director of Housing and Economic Development Nancy Bokelmann, Housing Coordinator Nicole Cunningham, and Clerk Renae Kopischke.

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Ms. Hatanpa moved and Mr. McLaughlin seconded a motion to approve the Economic Development Authority minutes of the Regular Meeting of August 10, 2026, as written. The motion carried unanimously.

4. **Economic Development Authority Business**

- A. Mr. Bornholdt reported on a \$2,095 change order for Project 11139, Orness Plaza Heat Pumps Phase 3, as required under Section 2-8 of the Mankato City Code. He noted that the change order covered modifications to incompatible existing ductwork, replacement of faulty electrical outlets, and replacement of an inoperable condensate pump. He indicated that the increase was approximately 2% of the original \$118,800 project budget, bringing the total project cost to \$90,125, which remains within budget. Construction began in June 2025 and is now complete.

No action required; report only.

- B. Mr. Bornholdt stated that the project originally included replacement of appliances, LVT flooring, concrete patios, driveways, sidewalks, electrical upgrades, and fire alarm systems at various Mankato EDA properties. He indicated that the scope was based on capital needs assessments conducted by Dominion Due Diligence Group (D3G) and covered the first two years of a 20-year capital improvement schedule. He mentioned that the EDA approved moving forward with the project in October 2025 and awarded the construction bid to Wilcon Construction in April 2026.

Mr. Bornholdt reported that Change Order No. 1 adds the replacement of 26 water heaters and five furnaces at several EDA properties, incorporating additional capital needs identified by HUD in the original schedule from Years 3 and 4. He commented that the change order also extends the contract completion date to March 26, 2027, due to delays in HUD's property closing process. He explained that the additional work will increase the project cost by \$105,270, or roughly 49% of the original project cost, and HUD requires the work to be completed as part of the RAD closeout. Staff recommended that the EDA approve the change order and continue with the RAD closeout process.

Mr. Laven moved and Mr. McLaughlin seconded a motion to approve Change Order 1 on Capital Improvement Project 11204; Mankato Scattered Sites EDA RAD Conversion Improvements. The motion carried unanimously.

- C. Ms. Kramlinger indicated that the Developer, Old Town Riverfront Properties, LLC, is seeking tax abatement assistance for a proposed 63,000-square-foot office and indoor organic production and processing facility at 1961 Energy Drive. She stated that the facility would be used by Verdant Organics for the cultivation, processing, packaging, and distribution of mushrooms and microgreens. She noted that the estimated project cost is \$13.56 million, with construction anticipated to begin in late 2026 or early 2027. She added that the project is expected to create approximately 17 jobs in its first year and 75 jobs in its second year.

Ms. Kramlinger explained that the Developer initially sought assistance through a tax increment financing (TIF) district, but the project does not qualify under state law as Verdant Organics does not meet the statutory definition of a manufacturing business for purposes of an economic development TIF district, and the site is a greenfield property, making it ineligible for redevelopment TIF. She commented that the Developer therefore requested a 15-year property tax abatement of \$126,000 annually. She noted that the city would provide the assistance through a pay-as-you-go note, funded with 90% of the city's share of the increased property taxes generated by the project.

Ms. Kramlinger reported that the city hired Ehlers Public Finance Advisors to independently review the project's financial feasibility, including construction and land costs, rental rates, financing, developer fees, and projected cash flow.

Stacie Kvilvang from Ehlers stated that some level of tax abatement is necessary for the project to proceed. She noted that based on their analysis, if the land value of \$6 per square foot is considered reasonable, the project would require about seven years of abatement totaling \$178,700; however, if the land value were reduced to \$4.50 per square foot, it's estimated that approximately five years of abatement totaling \$122,400 would be sufficient.

Ms. Kvilvang commented that the distinction between five and seven years is significant because state law requires a business subsidy agreement when city assistance exceeds \$150,000. She noted that a seven-year abatement would therefore require such an agreement, including job and wage goals, while a five-year abatement would not. She stated that Ehlers also recommends a three-part "lookback" provision allowing the city to revisit the abatement based on actual project costs after construction, project performance and investment returns once stabilized, and the property's financial results if it is sold.

Ms. Kramlinger asked if the Council would like additional information for review at a future meeting, or if they wanted staff to prepare materials for a hearing on September 28, 2026, regarding the tax abatement assistance and approval of a business subsidy agreement.

The consensus of the Council was to proceed with setting the date of hearing.

- D. Ms. Kramlinger presented a request from Verdant Agritech LLC for a \$300,000 economic development revolving loan to purchase equipment for Verdant Organics. She stated that the company, in partnership with the property owner, plans to develop a 63,000-square-foot indoor farming facility at 1761 Energy Drive to produce organic microgreens and blue oyster mushrooms year-round. She noted that the project includes approximately \$2.6 million in equipment costs, with the requested loan representing a portion of that investment.

Ms. Kramlinger reported that under the revolving loan guidelines, the proposed loan would have a 7-year term at 70% of the prime rate, currently resulting in an interest rate of 4.725%. She commented that Verdant has requested that interest payments begin when the facility becomes operational, with both principal and interest payments beginning after the facility has operated for one year. She summarized that project financing would also include \$500,000 in private funds, \$1.4 million in existing equity, and \$400,000 from a Minnesota Growth Fund loan.

Ms. Kramlinger indicated that the loan program requires job creation based on the amount borrowed; therefore, a \$300,000 loan would require at least six permanent full-time equivalent jobs, with wages meeting program requirements. She noted that Verdant anticipates creating 17 jobs in the first year and 75 jobs in the second year, exceeding the program's minimum employment and wage requirements. She added that because the requested assistance exceeds \$150,000, state law also requires a business subsidy agreement to be approved by the Council.

Ms. Kramlinger mentioned that the project is intended to address food service and retail challenges such as inconsistent supply, limited shelf life, and food waste through controlled-environment cultivation and extended-shelf-life packaging. She concluded that overall, the revolving loan is intended to support business development, job creation, private investment, expansion of the local tax base, and economic opportunity in Mankato. The requested action is to set October 13, 2026, as the public hearing date to consider the loan request.

It was requested that information be provided to the Council regarding the current fund balance.

Ms. Hatanpa moved and Mr. Laven seconded a motion setting October 13, 2026, as the date of hearing to consider a loan request from Verdant Agritech LLC (DBA Verdant Organics) to purchase equipment. The motion carried unanimously.

- E. Mr. Konz explained that the city established an Economic Development Authority (EDA) levy in 2007 under Minnesota Statutes, Section 469.107. He stated that the levy, reflected in the Economic Development Fund, has historically supported economic development, redevelopment, building rehabilitation, and community partnerships. From 2013 through 2020, the levy was set at \$225,000 and funded initiatives such as the Southern Minnesota Initiative Foundation, City Center Partnership, Arts and Culture District, Greater Mankato Growth (GMG) regional services, City Center redevelopment, and building rehabilitation. He noted that investments have generally focused on infrastructure and redevelopment projects intended to encourage additional public and private investment, expand the tax base, and preserve the City's building stock.

Mr. Konz indicated that beginning in 2021, the EDA levy increased to \$365,000, largely to accommodate rising partnership costs. A significant increase has been in the city's fee for GMG services through the Regional Economic Development Alliance (REDA), which grew from \$99,714 in 2009 to \$195,733.44 in 2023. He commented that under a new REDA Joint Services Agreement approved in October 2023 and effective through 2029, Mankato's fee is expected to decrease to \$186,581.29 in 2027. He added that historically, savings from reductions in the REDA fee have been redirected to building rehabilitation and other economic development initiatives. He mentioned that from 2021 through 2026, EDA levy proceeds supported GMG/REDA services, the Southern Minnesota Initiative Foundation, City Center and arts and culture initiatives, building rehabilitation, and affordability partnerships.

Mr. Konz reported that for 2027, the preliminary request is to maintain the EDA levy at \$365,000, which establishes the maximum levy being requested at this stage and does not represent final approval of specific expenditures. He stated that the 2027 budget would include the \$186,581.29 REDA fee, while the remaining funds would be considered through the EDA and the city's budget process. He pointed out that as with the overall property tax levy, the preliminary EDA levy can be reduced during the budget process but cannot be increased after it is established.

Mr. Konz indicated that the proposed resolution formally requests the \$365,000 EDA levy under state law but does not commit the city to spending allocations. The final levy amount and decisions regarding how the funds will be allocated are expected to be determined during the September–December 2026 budget process, when the City Council and EDA can evaluate current community needs, funding options, and economic development priorities.

Mr. Dieken moved and Ms. Hatanpa 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 2027 fiscal year . The motion carried unanimously.

- F. Ms. Cunningham reported that the 2027 PHA Annual Plan is the Economic Development Authority's roadmap for managing public housing and Housing Choice Voucher programs while addressing local affordable housing needs. She commented that it aligns with the community's broader housing and strategic plans and emphasizes partnerships, fair housing, community services, and strategies to meet housing goals.

Ms. Cunningham touched on key components which included annual program reviews, special voucher programs, community-based preferences, and capital improvements. She added that major policy and program changes involved HOTMA compliance, an expanded service area, and public housing repositioning.

Ms. Bokelmann stated that the plan also goes beyond the core voucher and public housing programs by addressing affordable housing, homelessness prevention, and community development. She noted that it tracks progress under the Affordable Housing Action Plan and the City's Strategic Plan.

Ms. Bokelmann indicated that overall, the plan highlights the EDA's ongoing work in administering housing programs, preserving and creating affordable housing, managing the Housing Trust Fund and CDBG funds, preventing and ending homelessness, educating the community, engaging landlords, supporting domestic abuse survivors, and strengthening community partnerships.

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

Mr. McLaughlin moved and Ms. Melby-Kelley seconded a motion to approve the Resolution approving the 2027 Annual Agency Plan. The motion carried unanimously.

5. **Adjournment**

There being no further business, Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:57 p.m.

Prepared by:

Approved by:

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Renae Kopischke  
City Clerk

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Najwa Massad  
Chair



## AGENDA RECOMMENDATION

### Economic Development Authority

4. A.

**Meeting Date:** 10/13/2026

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#### **Agenda Item:**

Resolution approving Economic Development Loan and Authorizing Executive Director to execute Economic Development Loan Documents with Verdant Agritech, LLC.

#### **Recommendation/Action(s):**

Adoption of the attached resolution.

#### **Summary:**

On [September 14, 2026](#), the Mankato Economic Development Authority (EDA) made a motion setting October 13, 2026, as the date of hearing for the EDA to consider an economic development revolving loan request from Verdant Agritech, LLC. The loan request is to assist with financing the purchase of equipment.

Verdant, in partnership with the property owner, will construct a 63,000 square foot indoor farming facility at 1761 Energy Drive to grow premium organic microgreens and blue oyster mushrooms year-round. Construction is anticipated to begin in early 2027 and be completed by the end of 2027.

The project includes approximately \$2.6 million in capital equipment costs. Verdant Agritech, LLC is requesting a \$300,000 economic development revolving loan to finance a portion of those costs.

Per the revolving loan guidelines, the term of the loan would be 7 years and the interest rate would be 70% of the prime rate at the time of application. The prime rate was 6.75% at the time of application, which means the loan rate would be 4.725%. One permanent full-time job will be created or retained within two years of the loan closing for each \$50,000 borrowed and the positions must pay at least 110 percent of the federal poverty rate for a family of four within two years of the loan closing. Based on the \$300,000 request, Verdant Agritech, LLC would be required to create at least 6 full-time equivalent jobs. Verdant anticipates there would be 17 jobs created in year one and 75 jobs created in year two, with wages exceeding the revolving loan guidelines.

The revolving loan guidelines state that repayment of the loan is to begin within one month of taking possession of equipment purchased with loan funds, although exceptions may be granted on a case by case basis. Verdant is requesting flexibility to make interest-only payments until the facility is operational, followed by principal and interest payments for the remainder of the term of the loan. Verdant anticipates they will be operational in October 2027.

The EDA has previously granted flexibility for economic development revolving loans, including exceptions to the maximum loan amount. Examples include:

- 2008: \$400,000 revolving loan to FGG, LLC (Kato Cable) for building construction.
- 2012: \$860,000 revolving loan to IHN Limited Partnership (EI Microcircuits) for site improvements and building construction.
- 2024: \$500,000 revolving loan to FGG, LLC (Kato Cable) for building construction related to an expansion.

Staff recommends granting flexibility for the repayment terms. The project is expected to create substantially more jobs than required under the revolving loan guidelines, with wages exceeding the required levels.

The current balance for the City's economic development revolving loan account is approximately \$2,446,496.

Under Minnesota Statute, the requested assistance is considered a business subsidy because the amount exceeds \$150,000. The business subsidy agreement must be approved by the City Council following a public hearing. The business subsidy agreement will identify the financial assistance provided and establish job and wage goals. Job and wage goals and progress on meeting the goals will need to be reported to the Minnesota Department of Employment and Economic Development on the Minnesota Business Assistance Form (MBAF) by April 1 each year until goals and obligations are met. If the loan request is approved, the City Council will hold a public hearing to consider the business subsidy agreement, as required by State Statute.

The purpose of the revolving loan program is to increase the City's tax base, create and retain jobs and improve economic opportunity and living standards for the residents of Mankato by promoting local business development and expansion and leveraging private sector funds.

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### **Attachments**

Resolution

General Location Map

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**RESOLUTION APPROVING ECONOMIC DEVELOPMENT LOAN  
AND AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE  
LOAN DOCUMENTS WITH VERDANT AGRITECH, LLC**

**WHEREAS**, the Mankato Economic Development Authority (the “EDA”) has undertaken a program to promote economic development, increase job opportunities and develop property within the City of Mankato; and

**WHEREAS**, the EDA has received an application from Verdant Agritech, LLC (“Borrower”) requesting an economic development loan (the “EDA Loan”) in the principal amount of \$300,000 for the purchase of equipment, payable over 7 years at 4.725% interest; and

**WHEREAS**, the equipment to be acquired with the proceeds of the EDA Loan will be utilized in connection with an indoor farming facility located at 1761 Energy Drive, Mankato, Minnesota (the “Project”); and

**WHEREAS**, the loan funds are available in the Economic Development Fund; and

**WHEREAS**, the EDA has reviewed the Borrower’s proposal and found that it conforms to the EDA guidelines, including job creation and diversification of employment base;

**WHEREAS**, the EDA has determined that providing the EDA loan will further the EDA’s economic development goals and is in the best interests of the City of Mankato and its residents.

**NOW, THEREFORE BE IT RESOLVED** by the EDA that the EDA hereby approves an economic development loan to Verdant Agritech, LLC in the amount of \$300,000 to be used for the purchase of equipment for the Project, payable over a term of 7 years at an interest rate of 4.725%.

**BE IT FURTHER RESOLVED**, that the Executive Director is hereby authorized to execute loan documents in conformance with the EDA guidelines.

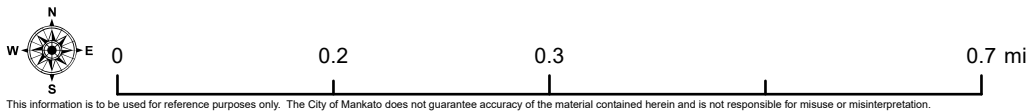
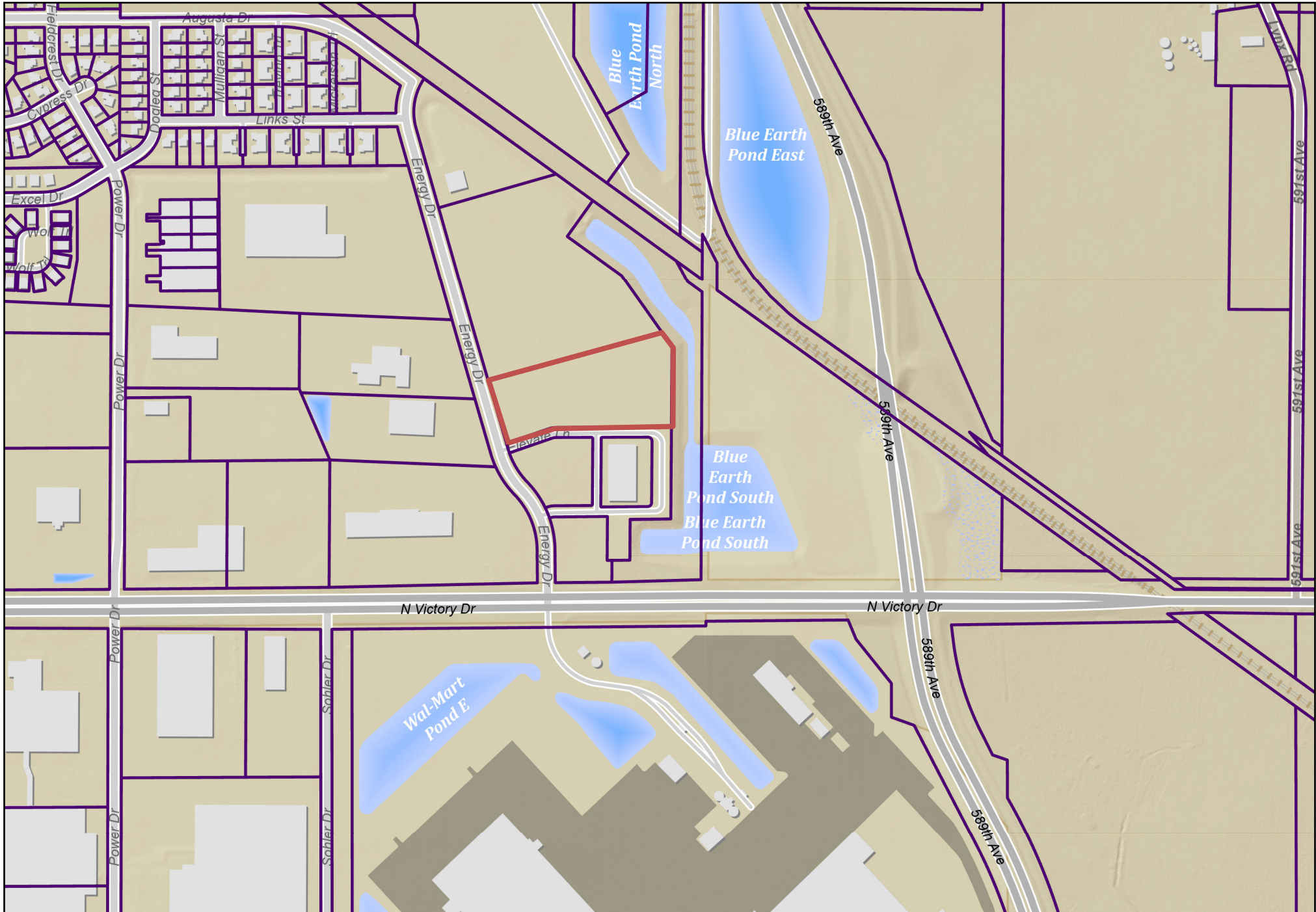
Adopted this 13th day of October, 2026

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Najwa Massad  
Board Chair

Attest: \_\_\_\_\_  
Susan MH Arntz  
Executive Director

# General Location Map





## AGENDA RECOMMENDATION

### Economic Development Authority

4. B.

**Meeting Date:** 10/13/2026

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#### **Agenda Item:**

Resolution adopting the payment standard schedule for the Mankato EDA 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 payment standards 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, except for 4–5 BRs. Staff recommend payment standards increase for Blue Earth County to match Nicollet County's current levels except for the 4-5 BR standards, needing reductions for both counties to stay within 110% of Fair Market Rents.

The EDA 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 EDA 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 EDA compared the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts. FMRs for 0-3 BRs were increased while 4-5 BR FMRs were reduced this year. The EDA is under-utilizing vouchers due to lack of funding which limits our ability to raise payment standards. It is recommended, due to projected shortfall status by year-end, that payment standards remain within Nicollet County standards except for 4-5 BRs standards, which need to be reduced to stay within the HUD approved range below 110%.

- **Rent Burden of Participating Families:** Rent burden status 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 EDA considers increasing the payment standard. Due to shortfall funding, staff does not recommend increases to the payment standards.
- **Quality of Units Selected:** The EDA reviewed the quality of units selected by participant families when making the determination of the percentage of income families pay 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 monitor rental rates through regular housing studies.
- **Changes in Rent to Owner:** The EDA reviews 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 are not seeing decreases in rents and rents were assessed with anticipated increases at 5-10%.
- **Unit Availability:** The EDA reviews the availability of units for each unit size, particularly in areas with low concentrations of poverty 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 months to secure housing, which is the anticipated amount of time for voucher participation.

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. In that case, the PHA's payment standards will be effective October 1 instead of December 1.

Current Payment Standards remain within Nicollet County standards for each bedroom size at 105% of the Fair Market rent, except for 4-5BRs at 110%. These Payment Standards will be effective December 1, 2026, except for 4-5 BRs that are in effect as of October 1, 2026.

The board is asked to approve by resolution the Payment Standards as revised.

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### Attachments

Resolution

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**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 and Nicollet 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, 2026, except for 4-5BRs that are effective October 1, 2026.

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

Adopted this 13th day of October 2026.

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Najwa Massad, Board Chair

ATTEST:

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Susan MH Arntz, Executive Director

**EXHIBIT A**

**BLUE EARTH AND NICOLLET COUNTY PAYMENT STANDARDS**

**Effective: 12/1/2026**

| <u>Bedroom Size</u> | <u>Old Standard</u> | <u>FMR</u> | <u>New Standard</u> | <u>Increase</u> |
|---------------------|---------------------|------------|---------------------|-----------------|
| Efficiency          | \$1011              | \$1016     | \$1068              | 105%            |
| 1 Bedroom           | \$1046              | \$1023     | \$1074              | 105%            |
| 2 Bedroom           | \$1267              | \$1230     | \$1288              | 105%            |
| 3 Bedroom           | \$1710              | \$1703     | \$1791              | 105%            |
| 4 Bedroom           | \$2030              | \$1744     | \$1918              | 110%            |
| 5 Bedroom           | \$2312              | \$2206     | \$2206              | 110%            |



## AGENDA RECOMMENDATION

### **Economic Development Authority**

**4. C.**

**Meeting Date:** 10/13/2026

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#### **Agenda Item:**

Resolution authorizing renewal and expansion of Family Self-Sufficiency Coordinator Funding.

#### **Recommendation/Action(s):**

Adoption of the attached resolution.

#### **Summary:**

The purpose of this memorandum is to request Board authorization to submit an application to the U.S. Department of Housing and Urban Development (HUD) for renewal funding for the EDA's Family Self-Sufficiency (FSS) Program, including an expansion position associated with the transfer of Housing Choice Vouchers and FSS participants from the South-Central Minnesota Multi-County Housing and Redevelopment Authority (HRA).

#### **Background**

HUD has made renewal funding available for eligible FSS programs funded in Fiscal Years 2023, 2024, or 2025, consistent with the applicable General Notice and HUD Notice PIH 2025-15. The EDA's FSS program is eligible to request renewal funding under these provisions.

The EDA had 55 households participating in the FSS program and received \$120,207 in FSS Coordinator funding in the previous year. The transfer of Housing Choice Vouchers from the HRA included 38 households participating in the FSS program. The EDA has assumed responsibility for serving these participants, increasing the program's caseload to 93 and creating a need for additional FSS staff capacity.

HUD's position eligibility thresholds provide for one full-time FSS Coordinator position at 25 participants, a second full-time position at 75 participants, and additional positions at intervals of 50 participants. The EDA's existing participant count supported one full-time position, and the additional participants transferring from the HRA provide the basis for requesting an eligible expansion position, subject to HUD's eligibility and funding requirements.

The EDA's 2027 budget includes funding for the additional staff position that will be supported through the requested HUD funding. The EDA is requesting \$252,626 in FSS Coordinator funding. Renewal and expansion funding may be used for eligible FSS Coordinator salary and fringe benefits, including allowable training expenses. The request includes \$5,000 for staff training and professional development. The application must be submitted through GrantSolutions no later than October 13, 2026, at 11:59 p.m. Eastern Time to be eligible for funding under the current HUD notice.

### **Strategic Plan Alignment**

The FSS program directly supports Goal 1: Housing, of the City of Mankato Strategic Plan, particularly the goal of preserving and expanding access to affordable housing and addressing barriers to housing resources.

FSS provides participating households with individualized support to improve employment, education, financial stability, and economic self-sufficiency. By connecting residents with resources and services that can strengthen household stability and increase economic opportunity, the program helps address barriers that can affect a household's ability to maintain and improve its housing situation.

The program also supports the City's broader commitment to creating a community where everyone belongs and providing responsive, efficient services that make a positive difference in the lives of Mankato residents.

### **Recommended Board Action**

Staff recommends that the EDA authorize the Executive Director, or designee, who are hereby authorized to prepare and submit the FSS renewal funding application through GrantSolutions for up to \$252,626, including the eligible expansion position associated with the transfer of vouchers and FSS participants from the HRA.

Staff further recommends authorization to execute and submit all applications, certifications, assurances, forms, amendments, grant agreements, and other documents necessary or appropriate to obtain the funding; and, if awarded, to accept, administer, and expend the funding in accordance with applicable federal laws, regulations, HUD requirements, and the EDA's approved FSS Action Plan.

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### **Attachments**

Resolution

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**RESOLUTION AUTHORIZING SUBMISSION OF APPLICATION  
FOR FAMILY SELF-SUFFICIENCY PROGRAM  
RENEWAL AND EXPANSION FUNDING**

**WHEREAS**, the U.S. Department of Housing and Urban Development ("HUD") provides funding through the Family Self-Sufficiency ("FSS") Program to support families participating in the Housing Choice Voucher program in achieving employment, education, financial stability, and economic and personal self-sufficiency; and

**WHEREAS**, HUD has made FSS Program renewal funding available to eligible programs funded in Fiscal Years 2023, 2024, or 2025, subject to the requirements of the applicable funding notice, General Notice, and HUD Notice PIH 2025-15; and

**WHEREAS**, the Economic Development Authority of Mankato, Minnesota ("EDA") currently has 93 households participating in its FSS Program and is eligible to request renewal funding for FSS Program Coordinator positions and associated allowable salary, fringe benefits, and training costs; and

**WHEREAS**, the EDA has accepted the transfer of Housing Choice Vouchers from the South-Central Minnesota Multi-County Housing and Redevelopment Authority, including households currently participating in that agency's FSS Program, increasing the EDA's FSS caseload and creating a need for additional staff capacity to provide case management, participant support, self-sufficiency planning, and coordination of supportive services; and

**WHEREAS**, HUD's FSS funding guidelines establish participant thresholds for eligible coordinator positions, and the transferred FSS participants provide a basis for the EDA to request an eligible expansion position, subject to HUD's applicable eligibility requirements and available funding; and

**WHEREAS**, the EDA received \$120,207 in FSS Coordinator funding in the previous funding year, and the EDA's 2027 budget includes funding for additional staff necessary to support the expanded FSS Program; and

**WHEREAS**, the EDA intends to request up to \$252,626 in FSS Program funding, including \$5,000 for staff training and professional development, to support eligible FSS Coordinator positions and program activities serving existing EDA FSS participants and participants transferred from the South-Central Minnesota Multi-County Housing and Redevelopment Authority; and

**WHEREAS**, the FSS Program directly supports Goal 1: Housing of the City of Mankato Strategic Plan, particularly efforts to preserve and expand access to affordable housing and address barriers to housing resources; and

**WHEREAS**, the FSS Program provides participating households with individualized support to improve employment, education, financial stability, and economic self-sufficiency, connecting residents with resources and services that strengthen household stability and increase economic opportunity, thereby helping address barriers that may affect a household's ability to maintain and improve its housing; and

**WHEREAS**, the FSS Program supports the City's broader commitment to creating a community where everyone belongs and providing responsive and efficient services that make a positive difference in the lives of Mankato residents; and

**WHEREAS**, the application must be submitted through GrantSolutions by **October 13, 2026, at 11:59 p.m. Eastern Time** to be eligible for consideration under the applicable funding notice.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Economic Development Authority of Mankato, Minnesota, that the Executive Director, or designee, is hereby authorized to prepare and submit an application to HUD through GrantSolutions for up to \$252,626 in FSS Program renewal and expansion funding, including all eligible FSS Coordinator positions, any eligible expansion position associated with the transferred vouchers and FSS participants, and allowable salary, fringe benefits, training, and other costs permitted under the applicable HUD funding notice and Notice PIH 2025-15; to execute and submit all applications, certifications, assurances, forms, amendments, grant agreements, and other documents necessary or appropriate to obtain the funding; and, if awarded, to accept, administer, and expend the funding in accordance with applicable federal laws, regulations, HUD requirements, and the EDA's approved FSS Action Plan.

**BE IT FURTHER RESOLVED**, this authorization shall be effective immediately upon adoption.

Adopted this 13th day of October 2026.

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Najwa Massad, Board Chair

Attest:

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Susan MH Arntz, Executive Director