

MANKATO PLANNING COMMISSION & CITY COUNCIL SUBMITTAL PACKET

Project: Proposed 16-Unit Congregate Micro-Apartment Addition

Subject Property: 1429 Third Ave, Mankato, MN 56001

Applicant: New Hope Board and Lodge LLC / Kody Schendel (KD2 Properties, LLC)

Civil Engineer / Project Lead: Bolton & Menk, Inc. (Nate Myhra)

General Contractor: Alliance Contracting (Jason Weinandt)

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1. COVER LETTER & PROJECT OVERVIEW

TO: City of Mankato Planning Commission & City Council

DATE: July 27, 2026

SUBJECT: Joint Application for Revised Conditional Use Permit (CUP) and Variance Request for 1429 Third Ave

Dear Commissioners and Council Members,

On behalf of New Hope Board and Lodge LLC and KD2 Properties, LLC, we submit this comprehensive application package for a revised Conditional Use Permit (CUP) and variance request to construct a **16-unit congregate micro-apartment addition** to our existing facility located at 1429 Third Ave.

This addition is specifically designed as supportive recovery housing for past and present residents of New Hope Board and Lodge who are stepping down into more independent, long-term recovery living while maintaining a connection to a supportive peer community.

Notably, this project is **100% privately financed by the applicant without relying on government grants, public subsidies, or outside investors**. It represents a direct, private capital investment into Mankato's supportive housing infrastructure to address a critical local housing gap.

Currently, our facility is experiencing an acute capacity crisis. Due to physical footprint constraints of our existing building, we are routinely forced to turn away individuals who are committed to their recovery. This proposed 16-unit contiguous expansion directly addresses a severe regional shortage of supportive recovery housing in Blue Earth County while preserving the residential character of the neighborhood.

Respectfully submitted,

Kody Schendel

New Hope Board and Lodge LLC / KD2 Property, LLC

PO Box 123, Elysian, MN 56028

2. RESPONSES TO CITY COMMENTS (SITE PLAN & TRAFFIC ADVISORY)

In response to the City of Mankato Site Plan and Traffic Advisory Committee review comments provided on June 15, 2026, the applicant submits the following responses:

- **Water & Sewer Availability Charges (WAC/SAC) & Utilities:**
The applicant acknowledges and accepts all applicable Water Availability Charges (WAC) and Sewer Availability Charges (SAC) associated with the 16-unit micro-apartment addition. In coordination with our civil design team (Bolton & Menk, Inc.) and ahead of the planned 3rd Avenue reconstruction, the existing water and sewer service lines will be fully inspected to evaluate capacity and structural integrity. Any required utility upgrades or new service connections will be incorporated directly into the civil construction plans to meet City engineering standards.
- **Licensing, Project Scope, & Operation Type:**
The current facility operates as a licensed Rate 1 Board and Lodge. The proposed 16-unit addition consists of **congregate micro-apartments** designed specifically to serve past and present New Hope residents. (congregate micro-apartments are defined as a shared living arrangement where people have a private bedroom or apartment but share common areas.) This model provides an essential transitional bridge, allowing individuals in active recovery to progress into independent micro-units while remaining connected to on-site peer support, shared services, and administrative oversight. Full operational details will be provided as required.
- **Density & Conditional Use Permit (CUP) Requirements:**
While standard R-3 Limited Multiple Dwelling District zoning permits up to 8 units per building/lot, this proposal requests a revised Conditional Use Permit (CUP) and associated density/setback variance to allow an expansion of 16 micro-units. Expanding the existing contiguous footprint is critical for operational efficiency, centralized intake, shared dining/common spaces, and supervisory oversight under one roof—eliminating the need for duplicate overhead or a secondary remote facility.
- **Financial Viability & Project Execution:**
The project is entirely **privately funded by the developer/owner** with zero reliance on public grant cycles, government tax credits, or external private investor approval processes. This ensures immediate project readiness and reliable execution upon municipal approval.
- **Site Performance Elements:**
The revised site plan prepared by Bolton & Menk addresses all performance standards outlined in City Code. This includes engineered hard-surfacing, dedicated off-street parking calculations for micro-units, code-compliant exterior fixtures (downward-shielded dark-sky lighting), perimeter screening/landscaping buffers adjacent to surrounding properties, and dedicated outdoor amenity space for residents.

- **Security, Staffing, & Neighborhood Compatibility:**

The facility maintains direct administrative oversight during core operational hours, paired with on-site house management during evenings and weekends, continuous electronic security monitoring, controlled access keypads, and strictly enforced house rules (including zero-tolerance substance policies along with drug/alcohol screening, guest curfews, and mandatory check-ins). Surrounding neighbors have expressed support during our recent neighborhood informational meeting on July 23, 2026.

3. CITY OF MANKATO VARIANCE QUESTIONNAIRE

We would like to formally request a variance to the rear yard setback. We would like to reduce the rear yard from the required 25% of the lot depth to a setback of 11.2 feet.

1. In your opinion, is the variance in harmony with the purposes and intent of the ordinance?

Yes. The intent of the R-3 district and local zoning ordinances is to ensure orderly, safe, and compatible residential development that serves community needs. Granting this variance allows an existing, legally established board and lodge to expand its contiguous footprint with 16 congregate micro-apartments tailored for past and present residents. Because the site operates with shared central common spaces, and administrative oversight, expanding on-site rather than constructing a separate building preserves land efficiency and keeps the visual scale compatible with the surrounding residential neighborhood.

2. In your opinion, is the variance consistent with the comprehensive plan?

Yes. The City of Mankato Comprehensive Plan emphasizes diverse housing options, redevelopment of infill properties, and micro-unit/flexible housing models for vulnerable populations. Expanding New Hope Board and Lodge with private capital directly aligns with these goals by expanding stable, substance-free housing, preventing housing instability, and supporting workforce reintegration—all within a designated mixed-density residential corridor.

3. In your opinion, does the proposal put property use in a reasonable manner?

Yes. The continuous operation of a board and lodge and supportive congregate housing is a reasonable and established use of this property. Adding 16 micro-units directly addresses a severe capacity crisis where qualified past and present residents seeking independent recovery living are routinely placed on waitlists. Constructing an attached addition rather than purchasing a separate, detached site is the only operationally viable method to maintain shared staffing, centralized security, common dining, and unified administrative oversight.

4. In your opinion, are there circumstances unique to the property?

Yes. The primary structure was positioned centrally on the parcel prior to modern expansion needs and modern setback rules, establishing fixed access points, parking alignments, and utility corridors. The physical lot dimensions and fixed position of the existing foundation limit where new construction can attach. Forcing strict adherence to standard yard setbacks shrinks

the buildable footprint to a point where an addition becomes structurally infeasible and economically unviable, creating a unique physical hardship tied directly to the property's layout.

5. In your opinion, will the variance maintain the essential character of the locality?

Yes. The property has functioned seamlessly as a board and lodge in this neighborhood. The architectural design of the proposed micro-apartment addition will mirror the scale, rooflines, and exterior finishes of the existing building and neighboring multi-family structures. Parking lot and landscape buffers will ensure the expansion integrates quietly into the neighborhood without causing off-site parking congestion or altering the streetscape. Furthermore, adjacent neighborhood stakeholders have provided documented support for this proposal.

4. OPERATIONAL, SECURITY, AND STAFFING NARRATIVE

I. Overview & Facility Mission

New Hope Board and Lodge operates at **1429 Third Ave** as a licensed **Rate 1 Board and Lodge**. The facility provides structured, supportive, and substance-free transitional housing for adults (\$18+).

The proposed 16-unit addition consists of **congregate micro-apartments** engineered specifically for past and present New Hope residents. This project fills a critical post-treatment and transitional housing gap by offering an affordable, structured step-down environment. Centralizing this expansion within the existing contiguous structure allows for unified management, shared amenities, and continuous supervisory oversight.

II. Project Financing & Independence

- **100% Private Capital:** The construction and ongoing operation of this 16-unit addition are fully self-financed by the owner/applicant.
- **No Public Burden:** The project requires **no government grants, public tax subsidies, or outside investors**, ensuring long-term operational stability and eliminating bureaucratic delays during construction.
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III. Operational Structure & Supervisory Staffing

To ensure safety, accountability, and seamless daily operations, the facility utilizes a structured staffing model across both the primary lodge and the micro-apartment addition:

- **On-Site Management & Administrative Oversight:** Operational leadership and program management maintain on-site office hours Monday through Friday during core daytime business hours to oversee resident activity, conduct intake assessments, and coordinate support if needed.
- **On-Site House Management:** Dedicated Resident Managers reside on-site and provide oversight during evening and weekend hours, providing a physical presence and direct point of contact for staff.
- **On-Call Emergency Coverage:** Program leadership and designated supervisory personnel are available **24 hours a day, 7 days a week** via on-call to respond immediately to any operational, physical plant, or resident emergency.

IV. Comprehensive Security Protocols & Access Control

The security framework at 1429 Third Ave combines modern hardware systems with strict house policy enforcement:

- **Controlled Building Entry:** All exterior entry doors remain locked 24/7. Access is strictly controlled via electronic keypad/fob systems issued only to authorized residents and staff. Key codes are uniquely assigned and promptly revoked upon program completion.
- **Surveillance System:** High-definition security cameras monitor primary building perimeter entry/exit points, common hallways, parking areas, and shared spaces. Camera feeds are monitored by staff and archived for review.
- **Visitor & Guest Policies:** To maintain a safe environment, guest visitation is strictly regulated. All visitors must remain accompanied by a resident in designated common areas. No unapproved overnight guests are permitted under any circumstances.

V. Residence Rules, Accountability, & Substance Policies

The core of our operational strategy is maintaining a structured, peer-supported environment that respects surrounding neighborhood properties:

- **Zero-Tolerance Substance Policy:** The residence enforces a strict zero-tolerance policy for alcohol, illicit drugs, and unprescribed controlled substances. Regular, unannounced drug and alcohol screenings are conducted as a condition of residency.
- **Curfew & House Accountability:** All residents adhere to established evening curfews (typically 10:00 PM, with adjustments for documented employment shifts). Random nightly check-ins ensure resident accountability.
- **Good Neighbor Policy:** Residents agree to a comprehensive Code of Conduct that explicitly prohibits loitering, outdoor smoking outside designated rear screened areas, excessive noise, and disruptive behavior. Compliance is required for continued residency.

VI. Community Liaison & Emergency Contacts

New Hope Board and Lodge is committed to being an open, responsive neighbor within the 3rd Avenue corridor:

- **Direct Neighborhood Contact:** Facility leadership provides adjacent neighbors and local emergency services (Mankato Public Safety) with direct cell phone contact information for the primary Facility Manager and On-Call Supervisor.
- **Incident Escalation:** Any neighborhood concerns or inquiries are directed to on-site management for immediate resolution.

5. CIVIL ENGINEERING & SITE PLAN SUPPORTING NARRATIVE

I. Overview & Site Integration

This narrative supports the engineering submission prepared by **Bolton & Menk, Inc.** for the proposed 16-unit congregate micro-apartment addition to New Hope Board and Lodge at **1429 Third Ave.** The proposed expansion is designed to integrate into the existing parcel layout,

optimizing land use while fully addressing City of Mankato site performance standards, access efficiency, and utility connectivity.

II. Off-Street Parking & Circulation

- **Parking Capacity & Demand:** Because residents in recovery rely heavily on public transit, micro-mobility, and local employment within walking distance, vehicle ownership among micro-unit residents is significantly lower than standard multi-family developments.
- **Layout & Traffic Flow:** All parking stalls are configured with standard drive aisles to ensure safe, unimpeded vehicle maneuvering, clear emergency vehicle access, and efficient trash/recycling pickup.
- **Surface & Markings:** Parking surfaces will feature full bituminous asphalt or concrete hard-surfacing, with designated stall striping and accessible stall signage conforming to ADA standards.

III. Exterior Lighting & Photometrics

- **Dark-Sky Compliance:** All proposed exterior light fixtures will be modern, energy-efficient LED luminaires equipped with full-cutoff, downward-shielded housing to eliminate upward light spill and skyglow.
- **Property Line Shielding:** Lighting layout and photometric levels are designed to provide clear, uniform illumination for resident safety along walkways, entry points, and parking lots while maintaining **zero foot-candles of light trespass** across adjacent residential property lines.

IV. Utility Evaluation & Services Coordination

- **Water & Sanitary Sewer Connections:** In response to feedback from the City Site Plan and Traffic Advisory Committee, the engineering design evaluates existing water and sanitary sewer service connections. In coordination with the City of Mankato's planned reconstruction of 3rd Avenue, existing utility connections will be inspected for capacity and structural integrity. Any required utility adjustments, resizing, or new taps will be integrated directly into the civil construction plans to prevent future right-of-way disruption.
- **Stormwater Management:** The site plan addresses localized drainage to ensure post-development runoff patterns match or improve upon pre-development conditions, directing surface runoff efficiently to existing municipal storm infrastructure.

V. Landscaping, Screening, & Amenities

- **Perimeter Buffering:** Landscaping buffers and decorative perimeter screening (fencing and native plantings) will be placed along sensitive lot boundaries to provide visual separation and preserve the residential character of the corridor.
- **Outdoor Amenity Space:** Dedicated outdoor green space and a rear patio area are designated for resident use, keeping outdoor gathering areas fenced from direct street view.
- **Refuse & Screening:** Trash and recycling dumpsters will be situated on a concrete pad enclosed by an opaque, architecturally compatible screening fence with latching gates.