

# **HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA**

**REPORT TO THE COMMISSIONERS**

**DATE: APRIL 23, 2025**

**REGARDING: RECOMMENDATION FOR CITY COUNCIL APPROVAL OF HEALTHY  
HOMES & POWER OF HOME PROGRAM GUIDELINES, CITYWIDE.**

## **Requested Board Action**

1. Recommend the City Council approve the Healthy Homes program guidelines and budget; and
2. Recommend the City Council approve the Power of Home program guidelines and budget; and
3. Recommend the City Council authorizes the staff in the Department of Planning and Economic Development (PED) to implement and administer the programs according to the adopted program guidelines; and
4. Recommend the City Council authorizes the PED Director to enter into contract agreements with the Center for Energy and Environment and relevant trades contractors as needed for the implementation of these programs according to the adopted program guidelines; and
5. Recommend the City Council further directs and authorizes the PED Director, staff, and legal counsel for the City to take all actions necessary to implement this Resolution.

## **Background**

Living in a home that needs basic repairs and uses excess energy is a source of added stress and financial strain that can put homeowners and their families at greater health and safety risks. These strains also pose barriers to weatherizing and electrifying homes, which can further negatively affect comfort, health, and cost savings.

The Healthy Homes Saint Paul program will pre-weatherize and weatherize 1-4 unit residential properties occupied by low- to moderate-income homeowners. Pre-weatherization and weatherization repairs enhance comfort, well-being, and safety, and can contribute to lower energy and health-related expenses.

The Power of Home Saint Paul program will electrify 1-4 unit residential properties occupied by low-income homeowners. Electrification seeks to replace household equipment and

appliances from fuel energy sources to electric energy sources to improve residents' health and comfort and aim to reduce household utility costs.

Fuel energy source reliance is decreasing as households pivot to electric equipment alternatives, such as heat pumps and induction stoves. The last households to adopt electric appliances are likely to be lower income due to the high upfront costs associated with equipment. These same households will be the remaining natural gas customers; natural gas costs are likely to increase as electric appliance usage increases because fewer customers will be paying into natural gas utilities. Lower income households are already more likely to spend a higher percentage of their household income on utility costs (also known as energy burden).

### **Budget Action**

N/A

### **Future Action**

N/A

### **Financing Structure**

Both programs will provide funding ranging from \$5,000 up to \$50,000 per eligible property. Assistance is free to property owners and does not need to be repaid. Funds will be paid directly to contractors to ensure contract compliance is maintained and so that participants do not have to report these funds as income, which could impact their participation in other programs.

PED Staff will partner with the Center for Energy & Environment and Xcel Energy Trade Partners to leverage existing programs, including Home Energy Squad audit services and Xcel Energy utility rebates.

### **PED Credit Committee Review**

N/A – Neither program will issue loans, thus Credit Committee review is not required.

### **Compliance**

PED Staff are partnering with the Procurement team in the Department of Human Rights & Equal Employment Opportunity (HREEO) to finalize contracts to deliver on these projects. PED

Staff are continuing discussions with Center for Energy & Environment to service the audits, conduct quality assurance, and potentially source bids for all projects. If another route is needed, PED staff and HREEO developed a Request for Proposals (RFP) to solicit Xcel Energy Trade Partners to work on Healthy Homes and Power of Home projects.

### **Green/Sustainable Development**

N/A

### **Environmental Impact Disclosure**

N/A

### **Historic Preservation**

PED Staff will review all projects' relation to local, state, and federal historic districts and sites. Projects with designated historic relevance will be reviewed in accordance with the applicable laws and regulations.

### **Public Purpose/Comprehensive Plan Conformance:**

Healthy Homes Saint Paul and Power of Home Saint Paul address the following policies in the [2040 Comprehensive Plan](#):

- Policy H-2. Address housing deficiencies and encourage reinvestment in residential properties by supporting maintenance and rehabilitation programs for property owners. (p. 131)
- Policy H-3. Consider the expected lifecycle, market viability and ongoing maintenance needs of residential structures prior to providing public rehabilitation funds to ensure responsible investment of public funds and not overburden future owners with future maintenance costs. (p. 131)
- Policy H-5. Work to reduce lead exposure in homes built prior to 1978 through the support of lead identification and mitigation programs offered by the City of Saint Paul, Saint Paul Ramsey County Public Health, and other partner agencies and organizations. (p. 131)
- Policy H-6. Improve indoor air quality to reduce asthma and address other air quality-associated health issues by reducing exposure to mold, indoor tobacco smoke, radon and soil vapors in homes; supporting City requirements and partner agency programs; and

seeking state and regional cleanup funding. Mitigation of these issues should be prioritized for existing structures. (p. 131)

- Policy H-10. Encourage the use of energy efficient mechanical systems and building products in rehabilitation and new construction to decrease building operation costs and impacts on the environment. (p. 132)
- Policy H-11. Partner with utility companies, nonprofits and other agencies to reduce the number of energy-burdened households by encouraging building owners to undertake energy audits of their properties and make improvements, such as new metering technologies that allow sub-metering. (p. 132)
- Policy H-13. Encourage the use of long-lasting, high-quality building materials for residential buildings to decrease long-term housing maintenance and energy costs. (p. 132)
- Policy H-45: Support the preservation and maintenance of historic housing stock as an affordable housing option. (p. 137)

Healthy Homes Saint Paul and Power of Home Saint Paul address the following actions & strategies in the [December 2019 Climate Action & Resilience Plan](#):

- High Impact Action for Residential (under 5 units): The highest impact actions will be 1) adopting stricter energy codes for new development, 2) retrofitting buildings with energy efficient equipment and envelope improvements, and 3) replacing natural gas appliances with electric and thermal models. (p. 8)
- Home energy efficiency. Home energy efficiency will help reduce monthly bills while making your home more comfortable and reducing emissions. Get a home energy audit to understand how your home is using energy and where you can make improvements, like adding insulation and air sealing. As electricity generation becomes cleaner, consider switching appliances that run on natural gas, like your oven range, water heater, or dryer to an electric alternative. (p. 31)
- Building Sector Guiding Themes (p. 33)
  - Prioritize conservation, energy efficiency, and energy recovery in the building sector
  - Ensure solutions and opportunities are equitable, particularly in communities and households of color
  - Commit to reducing the energy burden on low- to moderate-income residents

- Focus on efforts that result in co-benefits (e.g. employment, economic development, other environmental benefits such as water conservation and improved air quality)
  - Showcase best practices and innovative solutions
- Building Priorities: Reduce resident energy burden. Within 10 years, lower the energy burden so that no Saint Paul household spends more than 4% of household income on energy costs. (p. 34)

**Statement of Chairman (for Public Hearing)**

N/A

**Recommendation:** Approval of Healthy Homes program guidelines & Power of Home program guidelines and authorize the Department of Planning and Economic Development to implement the programs.

**Sponsored by:** Chair Cheniqua Johnson

**Staff:** Dave Schroeder, 651-266-8540

**Attachments**

- **Healthy Homes Program Guidelines**
- **Power of Home Program Guidelines**