

# The Inheritance Fund Saint Paul, Minnesota



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# Saint Paul's Inheritance Fund

Rebuilding Family Wealth



The Rondo neighborhood is a vibrant and resilient cross-section of Saint Paul, deeply rooted in community and connection. By the early 1930s, the neighborhood was the beating heart for our African-American community and home to thriving businesses, religious organizations and social clubs.



Two decades later, the economic and social diversity of the area was upended when the construction of Interstate 94 began in 1956. The 12-year highway corridor construction project decimated the footprint of the Rondo neighborhood, displaced over 600 families and laid to waste over \$100 million in wealth.



During Mayor Carter's 2023 budget proposal, he shared his vision for rebuilding family wealth that was lost during the highway construct and returning to the sons and daughters of Old Rondo their inheritance of homeownership.



# Saint Paul's Inheritance Fund

*Provides additional  
**downpayment** assistance and  
**homeowner rehab** assistance to  
**descendants of historic Rondo  
property owners** whose  
properties were taken for the  
construction of Interstate 94.*





# Saint Paul's Inheritance Fund

## **Downpayment Assistance Program Funding and Details**

- The Inheritance Fund layer in the Downpayment Assistance Program is funded through the Housing Trust Fund
- The Downpayment Assistance Program offers assistance to all qualifying Saint Paul homebuyers who make up to 80% of the area median income (AMI)
- The Inheritance Fund layers of assistance are available to qualifying Rondo Descendants earning up to 100% AMI
- For applicants that meet the requirements of all of the program layers (regular, first generation and Inheritance Fund), up to \$110,000 in assistance is available.

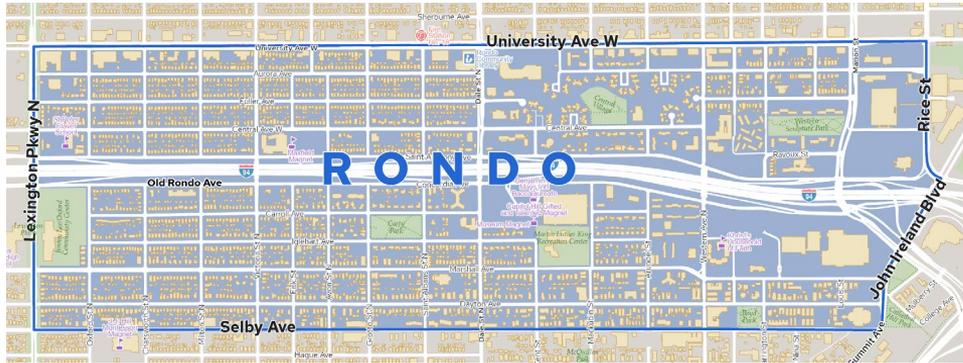
## **Homeowner Rehab Program Funding and Details**

- The Inheritance Fund layer in the Homeowner Rehab Program is funded through federal Community Development Block Grant dollars
- The Homeowner Rehab Program offers assistance to all qualifying Saint Paul homeowners who earn up to 80% AMI.
- For applicants that meet the requirements of all the program layers (regular and Inheritance Fund), up to \$80,000 in assistance is available.



# Saint Paul's Inheritance Fund

## Mitigating lost generational wealth AND lost community wealth



The Inheritance Fund addresses lost generational wealth and lost community wealth separately. Qualifying descendants can receive up to \$100,000 in Downpayment assistance to purchase a home anywhere in the city to address lost generational wealth. If they further choose to purchase their home within the boundaries of historic Rondo, they may receive an additional \$10,000 in assistance to recognize the lost community wealth being addressed with the homebuyer's investment in the historic Rondo community.

In the Homeowner Rehab Program, qualifying descendants can receive up to \$55,000 in rehab assistance. If the qualifying descendant owns their home within the boundaries of historic Rondo, they may receive an additional \$25,000 in assistance to recognize the benefit to the greater community of maintaining and improving the housing stock in Historic Rondo.



## Down Payment Assistance: Program Layers

DPA Layer	Eligibility	Max Award
Regular	<input type="checkbox"/> Earn 80% AMI or less (\$95,650 for a family of 4)	\$40,000
First Generation	<input type="checkbox"/> Earn 80% AMI or less <input type="checkbox"/> Have never owned a home <input type="checkbox"/> Parents never owned a home or lost most recently owned home due to foreclosure	\$10,000
Inheritance Fund: Generational Wealth	<input type="checkbox"/> Earn 100% AMI or less (\$124,900 for a family of 4) <input type="checkbox"/> Be a direct descendant of a property owner whose land was taken for I94	\$50,000
Inheritance Fund: Community Wealth	<input type="checkbox"/> Earn 100% AMI or less <input type="checkbox"/> Be a direct descendant of a property owner whose land was taken for I94 <input type="checkbox"/> Purchase a home within the historic boundaries of Rondo	\$10,000
Max Available		\$110,000



## Homeowner Rehab: Program Layers

Rehab Layer	Eligibility	Max Award
Regular	<input type="checkbox"/> Earn 80% AMI or less (\$95,650 for a family of 4)	\$40,000
Emergency	<input type="checkbox"/> Earn 80% AMI or less <input type="checkbox"/> Have a qualifying emergency rehab need	\$40,000
Inheritance Fund: Generational Wealth	<input type="checkbox"/> Earn 80% AMI or less <input type="checkbox"/> Be a direct descendant of a property owner whose land was taken for I94 <input type="checkbox"/> Home is in the City of Saint Paul	\$15,000
Inheritance Fund: Community Wealth	<input type="checkbox"/> Earn 80% AMI or less <input type="checkbox"/> Be a direct descendant of a property owner whose land was taken for I94 <input type="checkbox"/> Home is within the historic boundaries of Rondo	\$25,000
Max Available		\$120,000



# Saint Paul's Inheritance Fund

## How it works

### 1. Pre-apply for the City's Downpayment Assistance or Homeowner Rehab Programs

Applicants wishing to purchase a home pre-apply for the City's Downpayment Assistance Program; if they already own a home in Saint Paul, they pre-apply for the Homeowner Rehab Program.

When a pre-applicant is next in line, a full application packet is sent to them, which requests financial information and explains how to verify they are eligible for the Inheritance Fund

Due to overwhelming interest pre-applications are not currently being accepted. The waitlist for preapplications is expected to reopen in Spring 2024.



# Saint Paul's Inheritance Fund

## How it works

### 2. Work with staff to determine eligibility for the base program (DPA or Rental Rehab) and to verify Inheritance Fund eligibility

To receive assistance, applicants must be income eligible (specific income limits provided on a later slide)

To receive Downpayment Assistance, applicants must be able to seek preapproval from a primary lender to purchase a home

To receive Homeowner Rehab Assistance, applicants work with a rehab advisor to create a scope of work that prioritizes code violations and health/safety issues.

To be verified as Inheritance Fund-eligible, applicants must simply know the name and describe the direct lineage between them and the property owner whose property was taken. Rondo Community Land Trust verifies Inheritance Fund eligibility.



# Saint Paul's Inheritance Fund

## How it works

3. Enter into a forgivable loan agreement for their Downpayment or Rehab assistance

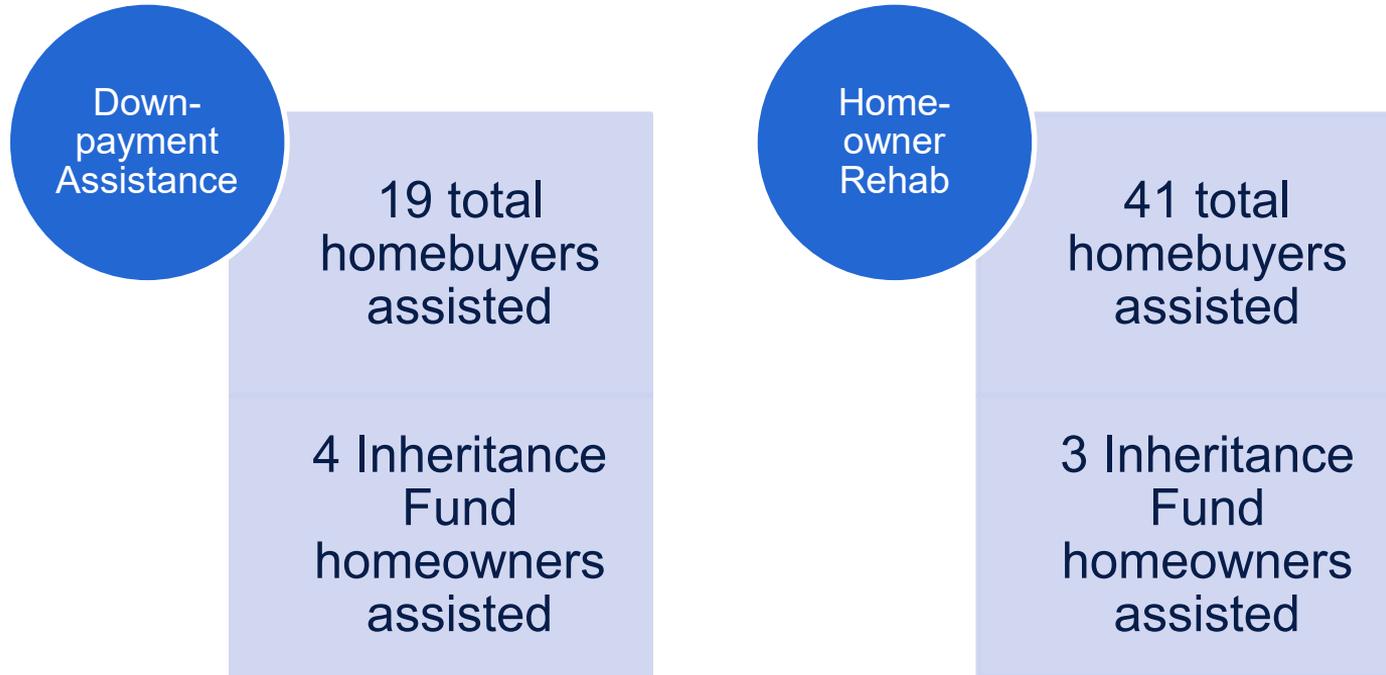
Loans are 0% interest for a period of 15 years

The loan is forgiven by 1/15<sup>th</sup> each year and fully forgiven at the end of 15 years

If the owner sells prior to the end of the 15 year period, they repay the remaining balance on the loan



## Since Opening Waitlist in March 2023





# Saint Paul's Inheritance Fund

## Anyone can donate to the Inheritance Fund!

- No contribution is too small!
- To donate, staff will need to know the amount being donated and the name (anonymous is ok) of the person/organization donating
- Please contact Housing Director Tara Beard, if you would like to make a donation:
  - 651-266-6636
  - [Tara.Beard@ci.stpaul.mn.us](mailto:Tara.Beard@ci.stpaul.mn.us)