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CITY OF SAINT PAUL

Low Income Homeowner Support Program

Wednesday, November 17, 2021



Program Overview

Summary: Provide \$500 of cash assistance annually to low-income homeowners living in areas of concentrated poverty within Saint Paul to assist them with housing costs and rising property taxes.

Goals:

- **Short term:** Provide assistance to low-income homeowners, who experience high housing cost burdens further exacerbated by rising property taxes, to protect against displacement and poor housing conditions.
- **Long term:** Allow the City of Saint Paul to capture and reinvest market value growth while supporting cost-burdened property owners

Budget: \$500k for payments, \$100k for administration, located in the HRA

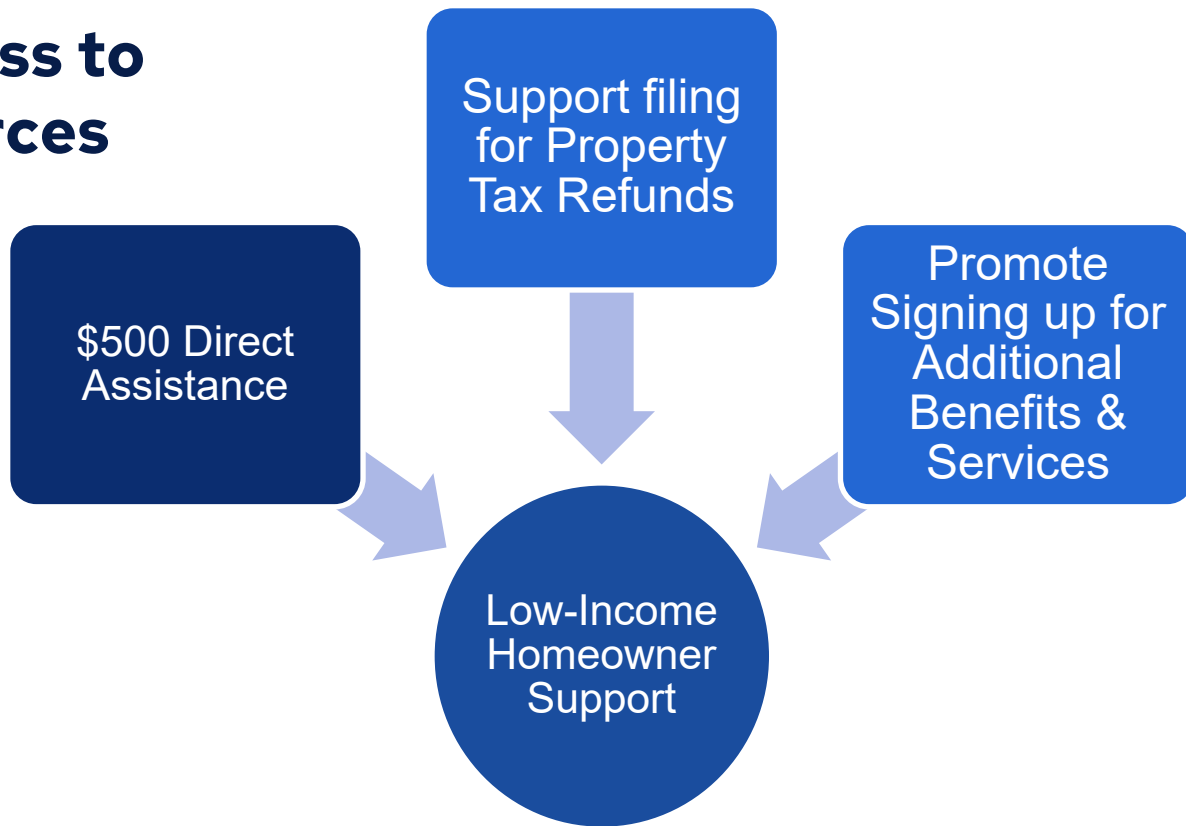
Administration: Managed by OFE & OFS

Authority: "...to provide decent, safe, and sanitary dwellings for...persons or families who lack a sufficient income to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding." - Minn. Stat. §469.002, Subd. 13 and 17



Assistance + Access to Additional Resources

In addition to providing direct cash assistance, the program will also promote and facilitate uptake of property tax refunds as well as other assistance targeted at low-income homeowners





Existing MN Property Tax Refunds & Deferral

- *Regular Homestead Credit Refund*: Income below \$116,180
 - 2018 Average Refund: \$1,140, Range: \$899 to \$1,475
- *Special Homestead Refund*: Property tax increased by more than 12%
 - 2018 Average Refund: \$117, Range: \$81 to \$162
- *Property Tax Deferral for Senior Citizens*: 65 or older with income below \$60,000; homestead for 15 years
 - About 375-400 seniors access the program each year

City's assistance would provide additional support to Saint Paul's lowest income homeowners



Housing Cost Burden in Saint Paul

Housing cost burdened: spending more than 30% of income on the cost of housing

Severely housing cost burdened: spending more than 50% of income on the cost of housing

Saint Paul homeowners at or below 30% AMI:

- 80% are housing cost burdened
- 64% are severely housing cost burdened

Saint Paul homeowners at or below 130% FPL:

- 85% are housing cost burdened
- 65% are severely housing cost burdened

Overall, 20% of Saint Paul homeowners are housing cost burdened and 6% are severely housing cost burdened.



Saint Paul Residential Single Family Median Values

Percent Change Single-Family Homes 2017 - 2021

Jurisdiction	MUNI #	'17 p '18 Median Value	'18 p '19 Median Value	'19 p '20 Median Value	'20 p '21 Median Value	'21 p '22 Median Value	'17p18 to '18p'19 % Chg	'18p19 to '19p'20 % Chg	'19p20 to '20p'21 % Chg	'20p21 to '21p'22 % Chg	'17p'18 vs '21p'22 % Chg
Sunray-Battlecreek	1	170,900	184,800	196,500	214,700	229,500	8.1%	6.3%	9.3%	6.9%	34.3%
Greater East Side	2	154,400	166,000	172,900	191,800	206,800	7.5%	4.2%	10.9%	7.8%	33.9%
West Side	3	144,000	157,200	170,100	184,100	193,600	9.2%	8.2%	8.2%	5.2%	34.4%
Dayton's Bluff	4	117,500	130,500	148,400	152,400	177,500	11.1%	13.7%	2.7%	16.5%	51.1%
Payne-Phalen	5	133,200	147,900	163,850	178,500	194,700	11.0%	10.8%	8.9%	9.1%	46.2%
North End	6	124,800	134,100	152,300	163,600	174,600	7.5%	13.6%	7.4%	6.7%	39.9%
Thomas Dale	7	111,200	129,200	154,900	163,300	173,000	16.2%	19.9%	5.4%	5.9%	55.6%
Summit-University	8	189,200	206,200	229,700	242,200	250,500	9.0%	11.4%	5.4%	3.4%	32.4%
West Seventh	9	161,100	172,100	190,700	203,400	204,700	6.8%	10.8%	6.7%	0.6%	27.1%
Como	10	207,100	219,900	237,250	256,900	260,000	6.2%	7.9%	8.3%	1.2%	25.5%
Hamline-Midway	11	166,600	177,900	186,100	197,800	207,500	6.8%	4.6%	6.3%	4.9%	24.5%
St Anthony Park	12	340,250	348,800	378,300	390,800	389,800	2.5%	8.5%	3.3%	-0.3%	14.6%
Merriam	13	286,600	300,900	325,050	335,100	338,700	5.0%	8.0%	3.1%	1.1%	18.2%
Macalester-Groveland	14	312,200	333,300	355,400	360,600	361,550	6.8%	6.6%	1.5%	0.3%	15.8%
Highland	15	305,400	327,250	350,000	353,900	359,900	7.2%	7.0%	1.1%	1.7%	17.8%
Summit Hill	16	422,700	444,300	462,500	474,550	490,850	5.1%	4.1%	2.6%	3.4%	16.1%
Downtown	17	290,000	406,500	459,600	459,800	464,350	40.2%	13.1%	0.0%	1.0%	60.1%
Airport	20										
Suburbs		234,900	251,400	272,000	283,700	294,600	7.0%	8.2%	4.3%	3.8%	25.4%
City of St. Paul		173,900	186,200	200,600	215,700	228,700	7.1%	7.7%	7.5%	6.0%	31.5%
Countywide		209,900	225,400	244,700	256,700	266,400	7.4%	8.6%	4.9%	3.8%	26.9%

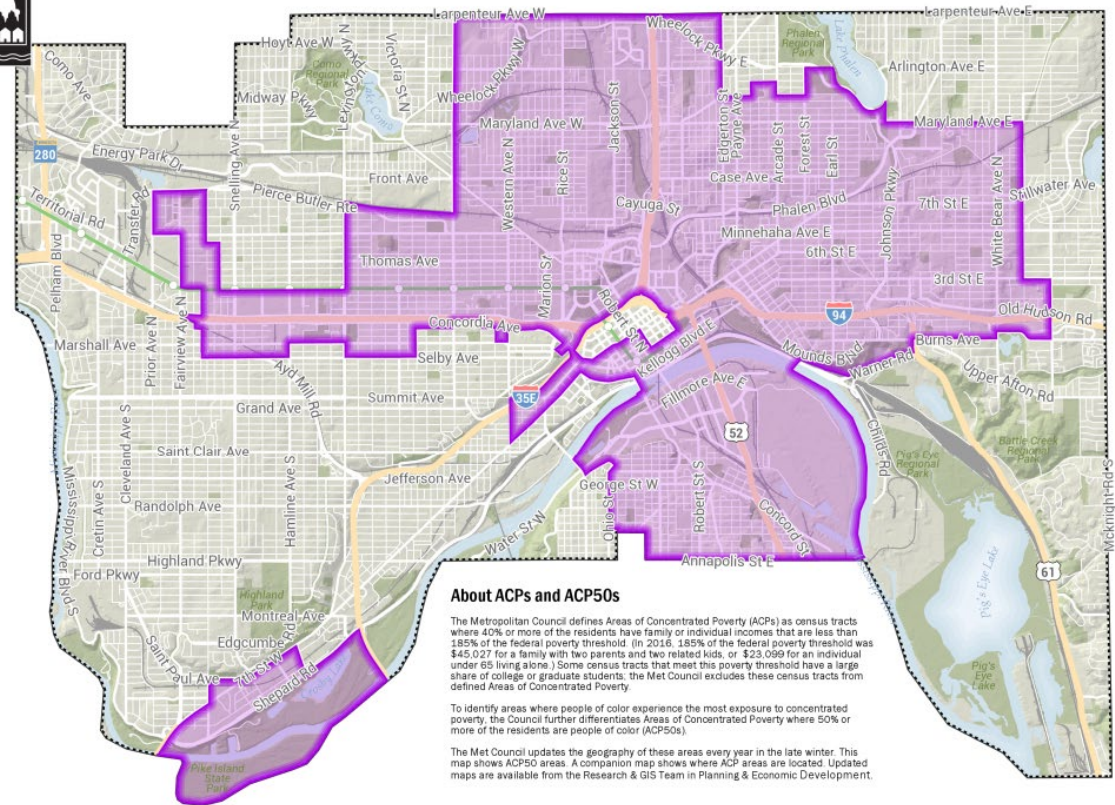


Low Income Homeowner Support Program



ACP Areas

April 8th, 2019



About ACPs and ACP50s

The Metropolitan Council defines Areas of Concentrated Poverty (ACPs) as census tracts where 40% or more of the residents have family or individual incomes that are less than 185% of the federal poverty threshold. (In 2016, 185% of the federal poverty threshold was \$45,027 for a family with two parents and two related kids, or \$23,089 for an individual under 65 living alone.) Some census tracts that meet this poverty threshold have a large share of college or graduate students; the Met Council excludes these census tracts from defined Areas of Concentrated Poverty.

To identify areas where people of color experience the most exposure to concentrated poverty, the Council further differentiates Areas of Concentrated Poverty where 50% or more of the residents are people of color (ACP50s).

The Met Council updates the geography of these areas every year in the late winter. This map shows ACP50 areas. A companion map shows where ACP areas are located. Updated maps are available from the Research & GIS Team in Planning & Economic Development.

Source: 4/8/2019 4:02 PM. Last updated: 4/8/2019 4:02 PM. ACPs and ACP50s are defined by the Metropolitan Council. ACPs and ACP50s are defined by the Metropolitan Council. ACPs and ACP50s are defined by the Metropolitan Council.



Assistance Amount: \$500

Average Property Taxes by Homestead Property Values, Saint Paul ACP

2022 Property Value	No. Homes	Average 2021 City Tax	Average 2021 Total Tax
Under 100K	118	\$243	\$1,132
100K-150K	2,537	\$440	\$1,811
150K-200K	7,687	\$635	\$2,444
200K-300K	7,795	\$893	\$3,296
300K-400K	638	\$1,367	\$4,926
400K+	101	\$2,053	\$7,277
Total Properties	18,876	\$742	\$2,812



Sample Properties (2022 Proposed Rates)

Estimated Market Value	City Tax	Other Tax (County, School, Misc.)	Total Tax	Homestead Credit (Estimate)	Potential Remaining Burden	City Low Income Homeowner Support
\$150,000	\$611	\$1,450	\$2,061	\$1,000	\$1,061	\$500
\$200,000	\$875	\$2,048	\$2,923	\$1,000	\$1,923	\$500
\$250,000	\$1,139	\$2,646	\$3,785	\$1,000	\$2,785	\$500
\$300,000	\$1,403	\$3,244	\$4,647	\$1,000	\$3,647	\$500



Eligibility Criteria

- **Income Eligibility:** 30% AMI or 133% FPL, whichever is greater
- **Property Classification:** Property must be classified as homestead - owner occupied as primary residence
- **Length of Tenure:** Owned and lived in the same home on 1/1/2022
- **Location:** Home is located within an Area of Concentrated Poverty (ACP)



Eligibility: Income

Household Size	Household Income
1	\$22,050
2	\$25,200
3	\$29,207
4	\$35,245
5	\$41,283
6	\$47,321

Household income requirements based on the higher of 30% AMI or 133% Federal Poverty Line



Categorical Income Eligibility

Participation in Program Demonstrates Eligibility
MFIP
SSI
Minnesota Supplemental Aid (MSA)
General Assistance (GA)
Head Start
Medical Assistance for most Adults
SNAP



Demographics of Homeowners

	30% AMI	130% FPL
Estimated # Homeowners	3,404	3,985
Race/Ethnicity		
White, NH	65.1%	57.7%
Black	6.7%	8.1%
Asian	15.9%	21.4%
Latinx	9.1%	8.9%
Indigenous	1.3%	1.8%
Other	1.9%	2.1%
Age		
65+	42%	27%
45-64	35%	33%
Up to 44	23%	40%

Source: IPUMS USA, University of Minnesota, www.ipums.org, representing microdata sample queries of the 2015-2019 American Community Survey 5-year data. Data Analysis by the PED Research & Mapping Team



Application

- Rolling application, timing aligned with property tax bill communications and deadlines
- Primarily online, with paper application available, will explore option for application by phone
- Taxable income, will require W9s from recipients

Eligibility Verification

- Self-attestation, similar to People's Prosperity Pilot
 - Question about participation in benefits program for categorical eligibility
 - If do not receive benefits, include a simple income calculation
 - Property search to verify homeowner, location in Saint Paul and ACP and classification as homestead

Payment Process

- Prepaid Card – doesn't require a bank account, very low fees for recipient
- Money intended to be spent on housing-related expenses.



Outreach Strategies

- Direct mail to homes in ACP
- Social media & website
- Outreach through community-based organizations and targeted services

Promotion and Facilitate Take-up of existing refunds and public programs

MN Property Tax Relief	Priority Public Benefits Programs	Additional City Programs
Homestead Credit Refund -Regular: <i>Income <\$116,180</i>	Energy Assistance: <i>60% State Median Income; Apply through CAP-RW</i>	CollegeBound Saint Paul
Homestead Credit Refund – Special: <i>Property tax increase >12%</i>	SNAP: <i>130% Federal Poverty Level; Apply through Ramsey County</i>	COVID Homeowner Stability Program
For households that need assistance, can refer to Prepare + Prosper tax clinics for assistance	To screen for eligibility for other programs, can direct households to use Bridge to Benefits Screening Tool.	Homeowners Rehab and Emergency Loans