



SAINT PAUL  
MINNESOTA

# Power of Home Program Guidelines

## Section 1: Background

### Program Purpose & Goals

Power of Home will aim to help low-income homeowners move away from fossil fuel-based heating, hot-water, cooking, and/or dryers. “Electrification” is important for residents’ health and comfort and can be a tool to help reduce household utility costs when paired with weatherization. In recent years the negative health impacts of the use of natural gas in homes have become much clearer, particularly for anyone with asthma or related respiratory conditions, and for residents who are already exposed to elevated levels of air pollution.

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. The Power of Home program aims to prevent the future harm that would come to these households.

### Program Benefits

- **Lower Energy Bills:** Participating homeowners will have reduced energy cost burden.
- **Saint Paul residents:** Participating households (less than or equal to 50% AMI) will benefit from living in healthier and more comfortable homes. All residents will benefit from reduced greenhouse gas and energy cost savings will mean more resources flowing into other areas of the local economy.
- **Climate:** The program’s investments will reduce residents’ reliance on natural gas, which is a fossil fuel that contributes to climate change. Maintaining and improving the housing stock reduces construction-related emissions by retaining existing structures. Lower energy usage also reduces emissions.

### Prioritize Equity

This program prioritizes and centers energy affordability by making the homes of low-income residents more energy-efficient, healthier, and more comfortable. Lower-income residents tend to live in neighborhoods with higher exposure to various sources of ambient air pollution, making the benefits of improved indoor air quality especially impactful. Household goals and preferences, current equipment, and projected utility costs will all be factored into projects’ Scopes of Work.

## Section 2: General Policies

### Operation, Funding Sources, and Administration

The City of Saint Paul (“City”) Department of Planning and Economic Development (“City Staff”) operates this program with local City funding.

## Definitions

- **Electrification:** a method to improve household health and safety and meet climate goals that focus on converting an energy-consuming device, system, or sector from non-electric sources of energy to electricity.<sup>1</sup>
- **Home Energy Audit (also known as Energy Audit or Home Energy Assessment):** a home inspection to evaluate home energy use and prioritize the most cost-effective opportunities to reduce energy bills and improve home comfort.<sup>2</sup>
- **Principal Residence:** dwelling where a person has established a permanent home from which the person has no present intention of moving. A principal residence is not established if the person has only a temporary physical presence in the dwelling unit.<sup>3</sup>
- **Scope of Work:** list of work items with the potential to electrify a home and reduce energy costs.

## Program Grant Limits

Eligible applicants may qualify for a minimum of \$5,000 and a maximum of \$50,000 in assistance. All assistance must be used to fund eligible electrification measures as described in these guidelines.

## Participation Agreements & Draw Requests

Assistance will be provided in the form of a grant to pay contractors upon completion of electrification improvements. Funds will not be paid directly to program participants. Funds do not need to be repaid by property owners.

Participation agreement will be signed by the applicant and the City. Assistance will be paired with available rebates whenever possible. Participants will be advised to explore eligibility requirements for claiming federal tax credits for work items paid for with Power of Home assistance.

Quality assurance checks will be conducted for all Scope of Work items in a given draw request. Items found to be incomplete or deficient shall not be included in the request. City Staff may withhold a final payment to the Contractor until the project is completed. Approved permits and lien waivers must accompany each request.

## Repeat & Related Program Participation

Program participants may reapply to the program in future cycles to seek assistance for eligible work items not included in the original Scope of Work. Each eligible work item at a given property can only qualify for assistance once.

Applicants and properties assisted by Power of Home can apply for other City of Saint Paul programs, including the Homeowner Rehabilitation Program and Healthy Homes Saint Paul. Participation in and receipt of Power of Home funding should not exclude an applicant or property from receiving other forms of public assistance. Funds are paid directly to contractors and are not considered income for applicants.

## Income Qualification

City Staff will accept alternative information when income qualifying households to streamline the process when possible. Power of Home will have three (3) income qualification methods as follows:

**Method 1:** Geographic income-qualification areas. A map of the income-qualified areas for Power of Home is available in **Exhibit A**. The areas are census tracts meeting one of the below criteria based on 2015-2019 U.S. Census data:

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<sup>1</sup> [U.S. Department of Energy, Electrification](#)

<sup>2</sup> [U.S. Department of Energy, Home Energy Assessments](#)

<sup>3</sup> [City of Saint Paul Code of Ordinances, Ord 18-1, § 1, 1-24-18, \(k\)](#)

- A. 90<sup>th</sup> percentile or higher for various factors related to health, housing, and climate and in the 85<sup>th</sup> percentile or higher for lower-income populations (federal percentiles of all census tracts)
- B. 90<sup>th</sup> percentile or higher for various factors related to socioeconomic status and has more than 25% of the adult (25+ years) population with less than a high school education

**Method 2:** Current participation in public, private, or nonprofit assistance programs with an income qualification less than or equal to this program's eligibility requirements. Applicants may submit documentation indicating their approval for or enrollment in an assistance program. City Staff will confirm the program's income level and that the review process involved submitting documentation.

**Method 3:** If a property is not located in the geographic area mapped in **Exhibit A** and the applicant is not part of another assistance program, as described above, applicant can submit their income qualification documentation as outlined in Section 3 of these guidelines.

### Inspections

City Staff or contractors will inspect properties by conducting home energy audits, taking photo documentation of the property and completed work, and conducting quality assurance to inspect installed work items.

### Eligible Contractors & Applicable Contracting Policies

Contracts are to be selected in partnership with the City's Department of Human Rights and Equal Employment Opportunity (HREEO) and in accordance with Public Contracts Purchasing Procedures as outlined in Chapter 82 of the [City of Saint Paul Administrative Code](#) and with the [Uniform Municipal Contracting Law as outlined in Chapter 471.345 of the State of Minnesota Statutes](#). Contracts are subject to compliance as determined by HREEO.

### Eligible Repairs & Improvements

Funding eligible uses/costs are limited to the list of work items in Section 4 of these guidelines. All eligible work items must comply with these Program Guidelines and be completed in accordance with all relevant codes and permit requirements from the City's Department of Safety and Inspections and other governing bodies. Expenses incurred by applicants are not eligible for payment or reimbursement. Applicants cannot request City contractors complete additional work beyond the approved Scope of Work at any point during the program participation term, even if offering to pay separately out of pocket.

### Program Subject to Alteration, Suspension and Discontinuation

The City reserves the right to alter these Guidelines and to suspend or discontinue the program at any time. Income limits will be updated annually to reflect HUD income limits. These updates do not require City Council Action. Other changes to the terms of these guidelines that may be changed administratively and without City Council approval include:

- A. Procedural changes that update, improve, or streamline the application process.
- B. Procedural changes that update, improve, or streamline the loan servicing process.
- C. Other non-substantive changes that do not increase or decrease award maximums, income limits, loan terms, or other financial policies.

Changes to this document that do require City Council approval include but are not limited to:

- A. Changes to total or individual award maximums.
- B. Changes to eligibility criteria, apart from updating HUD income limits to reference the most recently published figures.

### **Section 3: Eligible Homeowners**

#### Eligibility Criteria

As described in Section 2, to qualify for assistance, applicants must either be in the geographic areas identified in the attached map, provide proof of current participation in another assistance program with an equal or lower income limit, or meet the requirements outlined below.

- General
  - Own and occupy an eligible property as their principal residence
  - Have a homestead tax classification on the property
  - Have a qualifying interest, individually or in aggregate, in the property, consisting of at least one of the following:
    - A valid life estate. Such life estate must be recorded and must appear in the records of the Ramsey County Recorder's and/or Registrar's Office;
    - A minimum 1/3 interest in the fee title. Such interest may be subject to a mortgage;
    - A minimum 1/3 interest as a purchaser in a contract for deed with respect to the structure being improved. Such contract for deed must be recorded and must appear in the records of the County Recorder's and/or Registrar's Office.
  - Not have received payouts from insurance policies for items included in the Scope of Work
  - Not be on the City of Saint Paul Adverse Lending List
  - Be current on real estate taxes and special assessments on the Property
- Additional Required Application Documents
  - Program application
  - Signed income self-verification affidavit (all household adults 18+)
  - Signed data practices form (all household adults 18+)
  - Copy of homeowners' insurance policy
  - Insurance claims for items included in the Scope of Work, if applicable
  - Signed consent form to allow City Staff to access Xcel Energy use history
  - Additional necessary forms as approved by the City Attorney's Office

#### Eligible Properties

To be eligible for Power of Home assistance, a property must:

- Be located in the City of Saint Paul
- Have its own legal description
- Have a Residential tax classification
- Owner-occupied single-unit home
- Weatherized (secure building envelope, involving insulation and air sealing)
- Be verified to be owned by the applicant through a title and public property records check
- Have a homeowner's insurance policy

#### Denial of Power of Home Applications/Assistance

Power of Home assistance shall be denied when:

- The applicant does not meet these program guidelines
- The property is not accessible, such as due to hoarding or homeowner nonresponse
- The applicant is not cooperative with City Staff and/or contractors in such a way that creates a hostile environment

### Section 4: Eligible Uses/Costs

The below categories/work items are eligible uses/costs for Power of Home Saint Paul. Products must be [ENERGY STAR certified](#) if applicable. All work items must be approved by the property owner and City Staff prior to starting construction. City Staff will review potential improvements based on the property's current systems, owner's goals, and utility costs. Staff will calculate estimated energy savings for owners.<sup>4</sup>

| <b>Categories</b>                                                                       | <b>Eligible Work Items</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inspections                                                                             | <ul style="list-style-type: none"> <li>• Energy audit</li> <li>• Inspection of equipment and appliances</li> <li>• Blower door test</li> <li>• Infrared air leak test</li> <li>• Combustion test</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Project Management                                                                      | <ul style="list-style-type: none"> <li>• Project management/administration fees</li> <li>• Permit costs</li> <li>• Waste disposal affiliated with the Scope of Work items, including dumpsters</li> <li>• Lead-safe practices and clean-up for homes built before 1978</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Electrical Upgrades                                                                     | <ul style="list-style-type: none"> <li>• Electrical panel expansions and upgrades</li> <li>• Junction box upgrade</li> <li>• Outlet safety upgrades, including GCFI</li> <li>• LED lightbulbs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| HVAC                                                                                    | <ul style="list-style-type: none"> <li>• Air source heat pumps ("ASHP", ducted)*</li> <li>• Cold climate air source heat pumps ("CCHP", ducted)*</li> <li>• Mini-split air source heat pumps ("mini-splits", ductless)</li> <li>• Cold climate mini-split air source heat pumps (ductless)</li> <li>• Ground source heat pumps</li> <li>• Furnace repair/replacement (dual fuel with a qualifying ASHP)**</li> <li>• Boiler repair and replacement (dual fuel with a qualifying ASHP)**</li> </ul> <p>*Staff will default to cold climate air source heat pumps unless a property already has an efficient furnace or boiler in good condition that presents an opportunity for a dual fuel system.</p> <p>**Dual fuel heat pump systems require a furnace or boiler; however, furnaces/boilers alone will not be funded as the goal of this program is electrification.</p> |
| Electric & Heat Pump Appliances                                                         | <ul style="list-style-type: none"> <li>• Heat pump water heaters (HPWH)</li> <li>• Heat pump clothes dryer &amp; hybrid washer/dryer</li> <li>• Electric oven and range (City Staff will default to induction; conventional electric is available upon request)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Additional Methods to Reduce Heat Gain & Cooling Costs (ONLY IF part of a larger scope) | <ul style="list-style-type: none"> <li>• Planting of shade trees placed to provide shading and cooling effects</li> <li>• Radiant barrier additions in attics</li> <li>• Window treatments (shades, blinds, curtains)</li> <li>• Ceiling fans repair, replacement, or addition</li> <li>• Smart/programmable thermostats</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

#### Life Expectancy Threshold

The work items reflected in the table in this section will be funded only if:

<sup>4</sup> [State of Minnesota Technical Reference Manual for Energy Conservation Improvement Programs Version 4.0 \(2023\)](#)

- | <b>Work Items</b>                                                               | <b>Life Expectancy (Years)</b> |
|---------------------------------------------------------------------------------|--------------------------------|
| Ceiling fan                                                                     | 5                              |
| Conventional water heater                                                       | 6                              |
| Gas oven and range, heat pump, heat pump clothes dryer <sup>6</sup>             | 10                             |
| Conventional clothes dryer, electric range, heat pump water heater <sup>7</sup> | 13                             |
| Furnace (only to be replaced if installing dual fuel)                           | 15                             |
| Boiler (only to be replaced if installing dual fuel)                            | 15                             |

Friday, January 31, 2025

