Date: November 14, 2022
Amount:
Account Number:

EXPLANATION TO COUNCIL BILL
ORIGINATING DEPARTMENT: Planning & Community Development

PURPOSE: To authorize the donation of property located at 1602 Messanie to Open Source Ecology for infill housing.

REMARKS: The Community Development Division provides deferred payment loans to income-qualified St. Joseph residents as administered through HUD guidelines. Funds are used to rehab owner-occupied residences to bring properties up to code and address life safety issues. The deferred payment loan program does not require reimbursement of the loan until the transfer of ownership or death of a homeowner.

The City originally provided assistance to rehab the property at 1602 Messanie Street to benefit a low-to-moderate income resident. The property owner has since passed away with no heirs to the property and the City received the property because of our financial interest. Upon acquisition of the property, the structure was determined uninhabitable and ordered demolished. The original amount of HUD funds expended on the property is recovered by the City.

The City contacted Habitat for Humanity and Community Action Partnership to see if the lot would be suitable for their infill housing programs. Neither organization thought the lot could be used for their infill housing. The property was advertised for sale by sealed bid in 2021. No bids were received.

The City was recently approached by Open Source Ecology, looking for vacant lots to construct new homes. 1602 Messanie is a property they showed interest in developing. The City's donation of the vacant lot will allow Open Source Ecology to construct one affordable, energy efficient single-family home to be sold as part of a program to make affordable, ecological housing widely accessible in the community. The house will consist of a 1,000 square foot, modern, colonial-style house that will be the first in St. Joseph and will help launch additional houses upon the sale of the first model project.