

# Code Compliance Loan Program

## **Description**

The City of Eau Claire wishes to preserve the unique, irreplaceable architectural and historic character of the business districts identified in the HyettPalma Action Plan and the Water Street Commercial Plan. Many buildings in these districts are commercially viable if certain life safety changes are made so as to conform to current property codes. The purpose of the Code Compliance Loan Program is to encourage property owners to reinvest in the existing buildings and make vacant and under-used space more usable by providing low-interest loans to finance the alterations and improvements necessary for compliance with building and fire codes. The program is funded through the City and the Economic Development Fund.

## **Eligible Property**

Any commercial, industrial or mixed use building in the Barstow, Bellinger, West Grand Avenue, and Water Street business districts is eligible. Property owners should get City approvals prior to starting the improvements. Loans shall be made to property owners, not to lessees.

## **Eligible Improvements**

Improvements necessary for compliance with the City of Eau Claire/State of Wisconsin building codes are eligible for the loan program. Also eligible are changes to electrical, plumbing and mechanical systems necessary for code compliance. Not included in this program are improvements to signs, parking lots, roofing, business equipment, interior and exterior decorating and other maintenance procedures, or interior wall alterations not required by code. Changes must be consistent with the architectural and historic character of the building. Conversions of detached single-family residential properties are not eligible.

## **Amounts**

The City shall provide a loan equal to 50% of the cost of the changes and improvements required to correct building or fire code deficiencies, not to exceed \$10,000. A loan under this program must be matched by an equal investment in related improvements to the building by the property owner or lessee.

# Continued

## **Terms**

A loan repayment schedule of either (1) 36 months or less, or (2) 36-60 months must be selected by the applicant. Zero interest will be charged for the loan repaid within 36 months. A 3% interest rate will be charged for the total loan amount for loans not repaid within 36 months. All loans must be repaid within 60 months. Balloon payments may be negotiated for 36 month loans. Full payments of the loan is required if the property is sold.

## **Security**

The loan will be secured by a mortgage lien filed on the property and/or secured personal guarantee of the property owner. If a mortgage already exists on the property, the loan shall be limited to the building's appraised value at completion less the existing mortgage(s). In the event the lessee is the loan applicant, the lessee must provide an acceptable security alternative to the mortgage lien.

## **Process**

1. Applicants should first contact the Administrator-Insp. Services, City of Eau Claire.
2. Applicants shall complete loan application forms and work design information in sufficient detail and submit both to the Administrator -Insp. Services.
3. Downtown Eau Claire, Inc. and City staff will review the project for eligibility, compliance with zoning and building codes and regulations, and availability of program funds.
4. Downtown Eau Claire, Inc. will make a recommendation to the City Manager.
5. The Eau Claire City Council will consider final approval of the loan request.
6. Upon loan approval, application is made for all necessary building permits.

For further information, contact:

Administrator-Insp. Services  
203 S. Farwell Street  
Eau Claire, WI 54701  
(715) 839-4947

Business Assistance Specialist  
203 S. Farwell Street  
Eau Claire, WI 54701  
(715) 839-4914

# CITY OF EAU CLAIRE

## APPLICATION FOR DOWNTOWN CODE COMPLIANCE LOAN PROGRAM

1. Business Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Building Owner: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_

2. Type of Business: \_\_\_\_\_

3. Location of Project Site: \_\_\_\_\_

4. Description of proposed project improvements:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Specific improvements to be made (attach additional sheets if necessary):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Estimated Project Commencement Date: \_\_\_\_\_  
Estimated Completion Date: \_\_\_\_\_

7. Estimated Total Project Costs:

Land	\$ _____
Buildings	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
Total Project Cost:	\$ _____

8. Proposed use of Code Compliance Fund Dollars for this project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Amount of funds requested from City: \$ \_\_\_\_\_

10. Anticipated matching sources of financing besides Code Loan program:

Source (list)	Amount (list)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

11. List Collateral: \_\_\_\_\_  
\_\_\_\_\_

12. Estimated number of permanent jobs created or retained as a result of the project:

New jobs created: \_\_\_\_\_ Existing jobs retained: \_\_\_\_\_

\_\_\_\_\_  
Business Owner

\_\_\_\_\_  
Business Owner

\_\_\_\_\_  
Signature (individual, general partner, trade name  
or corporation)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Recommendation of Committee: \_\_\_\_\_

City Council action: \_\_\_\_\_

# CITY OF EAU CLAIRE

## DOWNTOWN CODE COMPLIANCE LOAN PROGRAM

### APPLICATION REQUIREMENTS AND REVIEW PROCEDURE

Applicants for loans from the Downtown Code Compliance Loan Program should contact the Administrator-Inspection and Zoning Services or the Business Assistance Specialist initially. For most projects, discussion with city staff will be necessary to determine project eligibility and to determine if the proposed improvement would meet city requirements with respect to building, zoning, flood plain and other applicable codes and regulations. Certain applications may require a preliminary inspection. Meetings for this purpose will be arranged with the applicant. The applicant is responsible for complying with all established city requirements and procedures as they apply to the project.

After meeting with city staff, applicant should work with their architects, contractors and primary lender to complete the application. The following items will normally be required to be submitted with the completed application form:

1. A description of the business venture and proposed project with adequate background information
2. Current appraisal of the property
3. Sources and Uses Statement for all funding involved in project
4. Collateral to be pledged for all components of the loan package
5. Letter of Intent from the lender stating terms and conditions of matching loan
6. Specific Code Compliance Loan amount of assistance being requested, e.g., interest rate, repayment schedule, etc.
7. Such other information as may be required

Applicant should submit the application to:

Administrator-Inspection and Zoning Services  
203 S. Farwell Street  
Eau Claire, WI 54701  
(715) 839-4947

-or-

Business Assistance Specialist  
203 S. Farwell Street  
Eau Claire, WI 54701  
(715) 839-4914

Arrangements will be made for the applicant to meet with city staff to discuss the completed application. Any changes in the primary lender, or substantive changes in the proposal or financial package, may require a new application to be submitted for review.

If the initial application is determined to be an eligible project, city staff may recommend changes in the amounts, terms, or other facets of the proposed loan. The final application will be reviewed by Downtown Eau Claire, Inc., which will make its recommendation for action of the loan to the City Manager. Final action on the loan will be by the City Council.