

**REHABILITATION LOAN PROGRAM  
FOR  
LANDMARKS PROPERTIES AND DISTRICTS**

**Program Requirements**

1. Properties must be individually designated as a City of Eau Claire landmark property, or be located within a Historic Landmark District as defined in Chapter 2.65 of the City Code of Ordinances. If located within a landmark district, such property must be classified as either contributing or pivotal.

A property may be rehabilitated under this program if it is not currently an Eau Claire landmark if: 1) the building is determined by the Landmarks Commission to meet the eligibility criteria for being landmarked as defined in Chapter 2.65 of the City Code of Ordinances; 2) the process of landmark designation has been initiated; and 3) the owner of the property enters into an agreement with the Landmarks Commission to abide by all requirements which apply to an Eau Claire landmark property. This agreement must be registered with the Eau Claire County Register of Deeds by the owner of the property.

2. Projects must be located within the city limits.
3. All code violations pertaining to the systems of the building which are planned to be upgraded must be corrected in addition to all code violations which threaten the life and well-being of the property or the inhabitants.
4. All improvements must be in compliance with the Certificate of Appropriateness and the U.S. Secretary of the Interior Standards for Rehabilitation.
5. Collateral for each loan shall be in the form of a mortgage on the subject property.
6. Other than architectural services (see below) no construction or rehabilitation work may commence prior to loan closing.

### **Project Funding Information**

1. The minimum loan amount is \$2,000.
2. The following rehabilitation loans will be serviced through the Housing Division of the City of Eau Claire (subject to availability of funds in a given funding year):
  - \$20,000 or less for single-family dwellings
  - \$24,000 or less for duplexes
  - \$28,000 for three-plexes
  - \$32,000 for four-plexes
  - \$20,000 for non-residential buildings(The amounts for residential properties update automatically as these amounts are updated by the City Housing Division.)
3. Rehabilitation projects exceeding the values listed in Part 2 may still receive assistance through this program subject to the ability of applicant to provide the additional funds necessary to complete the required repairs.
4. No loan shall be subject to any penalty for prepayment.
5. In the event that the property is to be sold during the term of the loan, it will be required that the loan is repaid in full prior to the sale.

### **Eligible Improvements**

The use of funds under this program applies to exterior renovation only. Exceptions may be made, however, if conditions exist in the building interior which are determined by the appropriate City building inspector, to threaten the life of the historic structure or the inhabitants or violations of HUD's Housing Quality Standards (HQS).

### **Architectural Services**

Architectural design fees which are incurred after final approval of the loan by the Landmarks Commission will be an eligible project expense; such expenses incurred prior to final loan approval are not eligible for reimbursement under the program.

### **Ineligible Improvements**

Any expenses incurred prior to final approval of the loan by the Landmarks Commission will not be included in the loan amount, with the exception of exterior architectural design services

(See section above entitled "Architectural Services"). Any exterior improvements that do not comply with the Secretary of Interior Guidelines for Rehabilitation or not approved by the Wisconsin Historical Society.

### **Project Review**

All applications are reviewed and acted upon by the Landmarks Commission. A rejected application may be resubmitted, provided it satisfies the earlier objections stated by the Landmarks Commission and funding is still available. Decisions of the Landmarks Commission relating to action taken on loan applications may also have to be reviewed and approved by the Wisconsin Historical Society. If the property is listed on the National Register of Historic Places, or is within a National Register District, the National Park Service may also be required to review and approve the project. Review by the Wisconsin Historical Society requires approximately 30 days, while review by both the Wisconsin Historical Society and the National Park Service may take as long as 70 days.

### **Loan Terms**

All loans will be serviced by the City with the use of U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant Funds (CDBG) and shall be subject to the following terms and conditions:

- a. No loan shall exceed 90 percent of the current assessed raised value (or recent appraised value within the past twelve months) of the property after rehabilitation minus the first mortgage balance.
- b. The interest rate shall be fixed at 0 percent throughout the term of the loan.
- c. The maximum term of each loan will be 10 years. Principal and interest paybacks begin immediately in equal monthly installments with payments due on the first day of each month. Payments will be made to the bank which receives loan repayments from City loan programs.

If applicant is providing rehabilitation funds from other sources:

- a. At the time of loan closing, the property owner shall provide a certified check in the amount that equals the difference between the total rehabilitation work and the loan amount that would be provided by the City.
- b. As the contractor requests progress payments for the completed work, the funds escrowed by the property owner will be used first to pay the contractor.

### **PROCEDURE FOR OBTAINING A HISTORIC REHABILITATION LOAN**

1. Contact Landmarks Commission (LC) staff person to discuss project and obtain applications.
2. Community Development (CD) and Housing Division staff inspects property to determine eligibility.
3. Applicant submits application.
4. If necessary, CD staff consults with LC regarding appropriateness of proposed work.
5. Housing Division staff requests and obtains credit bureau report and income verifications on the applicant.
6. Specifications for the work are written. (Housing Division staff generally prepares the specifications unless the scope or type of the proposed work would require the services of an architect, engineer, etc., in which case it is the applicant's responsibility to arrange to have the specifications prepared.)
7. The Wisconsin Historical Society and the National Park Service (if necessary) are contacted to review the specifications of the proposed project.
8. The applicant obtains bids from contractors for the work based on the project specifications.
9. Applicant selects contractors for project and determines project cost.
10. Community Development staff makes financial analysis, reviews application, and makes recommendation to LC.
11. LC considers Certificate of Appropriateness for the proposed work and the loan.
12. If project and loan is approved by the LC, a contract between applicant and contractor(s) is executed.
13. Housing Division staff schedules loan closing with applicant.
14. Contractor is given notice to proceed and work begins.
15. Contractor submits invoice(s) for work to applicant who then forwards invoice to Housing Division staff.
16. Community Development and Housing Division staff inspects completed work and approves payment to contractor(s).
17. Project is completed.