



# City of Eau Claire

## Infill Development Neighborhood Stabilization Program Guidelines

- Purpose:** To encourage new home construction within older neighborhoods or on infill lots as identified herein.
- Program:** The City of Eau Claire has allocated a total Infill Development loan pool of \$200,000 to be available for down-payment assistance loans for the purchase of privately owned infill lots within the City as defined herein for the construction of new homes. The money may also be used to purchase dilapidated properties in older neighborhoods as defined herein where the intent is to remove the existing structures on the properties and build new homes.
- The City has a small inventory of infill lots that may be declared to be excess properties. These lots may be offered for sale for infill development through a bid process. Under this Infill Development Program the purchaser of a city-owned infill lot may defer payment of the purchase price under the terms stated below.
- Eligibility:** The loans or purchase price deferrals will be made available to any home builders that are interested in building new homes on infill lots as defined herein.
- Definitions:** The loan or purchase price deferral will be made available to encourage infill development within older neighborhoods. Infill development is defined as the construction of new homes on lots within the City. Older neighborhoods are defined as those where the residential structures were primarily constructed prior to 1960. Homes are defined as single and multi-family residences consistent with the applicable zoning.
- Terms:** The City will loan home builders the amount of money that is needed to purchase privately owned infill lots. In the case of properties with dilapidated buildings that will be removed for building the new homes, the City will loan the market value of the lots only. The loans shall be for a period of not longer than 3 years.

Where home builders have purchased formerly city-owned lots, the payments

of the purchase price may be deferred for not longer than 3 years.

The purpose of the loans and the purchase price deferrals is to provide down-payment assistance secured by second mortgages on the properties. The loans and purchase price deferrals are hereafter referred to as financial assistance. The financial assistance will become due upon the initial sales of the homes or no later than 3 years after the date of the financial assistance, whichever comes first.

To encourage the prompt construction of new homes, the financial assistance shall be interest free for one year or until the homes are sold, whichever occurs first. If the homes have not been constructed, or sold, and the financial assistance has not been repaid, then, at the end of one year from the date of loan issuance or the sale of the city-owned lots, the interest rate shall be at the prime rate plus 2 percent annually for the remaining two years of the 3-year loan term or deferral period. The prime rate shall be the rate quoted in the Wall Street Journal on the date the loan is issued or the City-owned property is sold to the builder. Principal and interest payments shall be amortized monthly over the remaining 2 years of the financial assistance term.

**To Apply:** Contact the City of Eau Claire Economic Development Office at 715-839-4914.

For further information, contact:

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