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April 24, 2023

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## **Prairie Heights: Breaking New Ground in Affordable Housing**

EAU CLAIRE, WI - Overlooking the Eau Claire River at 3155 Birch Street, a new housing development is breaking new ground in more ways than one. Community members can be a part of kicking off this project at a groundbreaking ceremony scheduled for June 15.

This 60-unit rental project is blazing the trail for green, affordable housing with its use of renewable energy systems that will include photovoltaic solar panels, geothermal technology, and air-source heat pumps, dramatically reducing the carbon emissions produced by the development and its future inhabitants over the long-term.

Long-standing partners West CAP and the Gerrard Companies have set to break ground on the long-awaited project on June 15, and finally start to see their new model for the future of housing in Wisconsin come to life. The pair have been constructing affordable rental units together for over a decade, pushing the needle on cutting-edge, climate-friendly conservation technologies that are re-shaping affordable housing as we know it.

As a local nonprofit and community action agency, this housing development embodies West CAP's mission, which is to take action against poverty by developing the social and economic assets of low-income families and their communities and by working to create a more just and sustainable society.

“Our design goal was to greatly reduce the need to purchase natural gas and electricity from the grid and to pass the savings directly to the residents, giving folks stable, affordable and climate friendly housing,” says Peter Kilde, Executive Director for West CAP.

## **More than just housing**

The Prairie Heights property will include sixty total units for households earning between 30% and 80% of the county median income, so much of this will be workforce housing. Prairie Heights will be fully accessible and contain one, two, and three-bedroom apartments, each with a full kitchen, in-unit laundry, and spacious living areas.

The new development will be providing more than affordable, green living with high-quality, modern amenities. Sensitive to the unique needs of the community in which they are building, the developers included on-site, long-term program services to support residents and homeless individuals and families. Twelve units will be set aside for permanent supportive housing, disabled veterans, or others who are homeless or at risk of homelessness. Western Dairyland Economic Opportunity Council of Eau Claire, a sister community action agency to West CAP, will be overseeing these specific units by staffing an office on-site to connect these vulnerable residents to community resources in the areas of mental and physical health, substance abuse, education, and employment, while helping them maintain stable housing.

Paul Gerrard, co-owner of the developer Gerrard Companies, shared that he also included a separate, exterior entrance for eight of the three-bedroom units, which will be for those at or below 50% of the county median income.

“What I like so much about this feature is it gives these families with children direct access to the outside. They can head right out their door instead of down a hallway,” Gerrard shared.

## **Persistence pays off**

The Prairie Heights project was not an easy project to develop. It had its share of hurdles to overcome, especially given the challenging timing of the build.

“We knew this project was ambitious when we started it back in 2019. It was originally an 80-unit design, but with COVID and the skyrocketing costs for materials and supply chain issues, the numbers just weren’t working. We had to go back to the drawing board a few more times to ensure we could jump each hurdle and roadblock that was thrown at us,” explains Gerrard.

Even though the project experienced setbacks and delays, this is nothing new for the long-time affordable housing developers. Gerrard Companies is a real estate development company formed in 1954 by its founder M. William Gerrard. His momentum carried on the family’s vision in real estate practices and careers. Today, they provide residential, commercial, brokerage services, general contracting, real estate development services, construction development services and real estate management. The company focuses on quality innovation designs that endure and provide long-term value. Much of their success stems from key partnerships that include municipalities, state and federal agencies, nonprofits, minority owned businesses, to name a few.

Their latest projects are breaking new ground in affordable housing development, with their innovative use of materials and mechanical systems that dramatically reduce carbon outputs and utilize mother nature's free, solar power from the sun.

“It takes a lot of persistence to tackle affordable housing projects,” Gerrard shares. “What really saved this project was our ability to incorporate geothermal technology for both the heating and the cooling of the units. We are able to have all utilities included in the rent.”

Gerrard works closely with Cornerstone Architects, LLC for architectural services. Under the leadership of Bradley S. Kortbein, they also have experience in general contracting, real estate development, construction management, and real estate management. These projects have also included materials and mechanical systems that include solar systems. The site's engineering design and boundary survey work was performed by Everyday Surveying and Engineering, LLC. of the Chippewa Valley Area.

This project was funded in large part by WHEDA, the Wisconsin Housing and Economic Development Authority, who provided \$800,000 in annual federal housing tax credits. With the rising costs of materials, the project began to stall and needed additional financial help. This thankfully arrived in the form of an additional \$2 million boost in funding from the American Rescue Plan Act (ARPA) funds from the governor's office, administered through WHEDA, to help affordable housing developers meet rising construction costs, interest rate increases, and supply chain delays in 2022.

Another critical component of the financing for this project is the lending support it is receiving from local lender, Merchants Bank.

“Merchants Bank is proud to step up as a community bank leader in Eau Claire and invest in the Prairie Heights housing project by providing substantial funding resources,” Steve Kovala, Merchants Bank's lead Commercial Banker on the project shared.

“It's rewarding to provide financial resources for a project that aligns with our mission knowing the positive impact these new housing options will have in Eau Claire,” said Sue Savat, Merchants Bank's Chief Financial Officer.

Additional funding sources that helped the project keep up with rising costs included a \$307,300 grant in gap financing from the City of Eau Claire, and financial support from the federal Home Loan Bank of Chicago.

It is also worth noting that the location of the development also contributes to its environmental sustainability, as it encourages greener lifestyles for its residents, such as walking and biking, using public transportation, and eating locally. Prairie Heights is just two blocks from the new River Prairie commercial center on the opposite side of the river, which boasts unique local businesses, banks, restaurants, a grocery store, a public library, a senior center, and more. The apartments will also be within one block of a city bus stop and will offer on-site access to the Eau Claire Trail system for convenient biking, running, and walking opportunities.

Units are anticipated to be “move in-ready” by July 1, 2024, and managed by Paramark, a property management company headquartered in Rochester, MN that manages nearly 6,000 units across Minnesota, Iowa, Wisconsin, Illinois, and Missouri.

*West CAP is proud of its history as an innovative, forward-thinking organization. Established in 1965, West CAP was one of the first community action agencies established in Wisconsin. Since then, West CAP has worked to promote the self-sufficiency of low-income families in the rural communities of west central Wisconsin by providing food access, housing assistance, energy assistance, weatherization, adult education, advocacy, and more. Contact West CAP by calling (715) 598-4750 or visit <http://westcap.org> to learn more. West CAP, Inc is an equal opportunity provider.*

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