



City of Sheboygan
PLANNING AND DEVELOPMENT

Sheboygan City Hall
828 Center Ave, Suite 201
Sheboygan, WI 53081

To: Redevelopment Authority

Date: October 21, 2026

Subject: Business Revolving Loan Fund Program Manual Amendments

Staff is continuing to work on the Business Revolving Loan Fund Program manual to update policies for all matters. After final review, the technical team hired by the regional HUD office to assist with the manual identified the following amendments for your consideration.

Purpose

p1 - clarified CFR citation

Program Funding

p1- added eligible activity delivery costs language

Eligible activity delivery costs, including reasonable underwriting and loan-processing costs and underwriting consultant fees, may be funded separately from the loan amount. Such costs must be eligible, reasonable, and directly related to the CDBG-assisted activity. No federal 10% cap applies to eligible activity delivery costs for an RLF.

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Eligible Activities

p3 – Included (4) working capital and additional language

Economic development activities assisted with CDBG funds must comply with the eligibility requirements of 24 CFR § 570.203 and the applicable guidelines and public-benefit standards in 24 CFR § 570.209. Maintenance and other activities that do not constitute an eligible CDBG economic-development activity are not eligible for assistance.

Public Benefit Standards

p3 - added additional language

The city must calculate the federal aggregate standard for all covered activities first obligated during each program year and compare anticipated with actual results. § 570.209(b)

Davis Bacon Act and Labor Standards

p4 – added responsibility

City staff will determine applicability under Section 110 of the Housing and Community Development Act and 24 CFR § 570.603.

Environmental Review

P5 - added flood insurance

Flood insurance applicability shall be determined under the Flood Disaster Protection Act and 24 CFR § 570.605.

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RLF GOVERNANCE ROLES AND RESPONSIBILITIES

P16 – Section added

Program Administrative Decisions:

Program administrative decisions include decisions necessary for the ongoing administration and implementation of the RLF, such as establishing or interpreting program procedures, addressing exceptions or unique circumstances within the program guidelines, determining appropriate administrative actions for loan servicing or compliance matters, and resolving issues that may affect the consistent application of program requirements. These decisions help ensure the program is administered effectively, consistently, and in accordance with adopted policies and applicable requirements.

Administrative decisions should be made through a collaborative and coordinated approach, involving appropriate City staff, program administrators, and other relevant stakeholders, as applicable to the nature and scope of the decision.

Collaborative decision-making should occur within the limits of delegated authority and applicable City policies, ordinances, and legal requirements. Decisions requiring formal approval by the Common Council, a designated committee, or another authorized body must be referred to the appropriate body for consideration and action. These practices help ensure the RLF is administered effectively, consistently, and responsibly while supporting accountability and coordination across the City of Sheboygan.

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P17 – clarified responsibilities

~~Redevelopment Authority (RDA): Reviews and approves Revolving Loan Fund project participation and final funding recommendations. The RDA reviews loan applications and recommendations from City staff, authorizes substantial program amendments and administrative decisions, and provides recommendations to the Common Council as appropriate.~~

The Redevelopment Authority (RDA) shall review Revolving Loan Fund applications and determine project eligibility and program participation. The RDA shall review and recommend individual business loan awards and material changes to approved loans or program policies. All loan awards shall be referred to the Common Council for final approval. The RDA may also recommend program amendments, policy changes, and other matters requiring Common Council approval.

~~Staff provides day-to-day administration of the RLF, receives application and related documents, conducts CDBG eligibility and National Objective assessment, and completeness review for related CDBG and federal cross-cutting regulations. Planning and Development staff shall also score each application using an RLF scoring matrix attached or incorporated herein by reference.~~

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Development staff shall review applications for completeness, evaluate proposed projects against established program criteria, conducts CDBG eligibility and National Objective assessment, and completeness review for related CDBG and federal cross cutting regulations, conduct financial and underwriting reviews, and prepare funding recommendations for RDA consideration. Development staff shall administer approved loans, monitor compliance with loan agreements, and process routine administrative matters in accordance with the approved program guidelines and applicable loan agreements. Development staff shall also score each application using an RLF scoring matrix attached or incorporated herein by reference.

Any delegation of authority to City staff, including approval limits, permissible loan modifications, and administrative exceptions, shall be expressly authorized in the program guidelines or through formal action by the RDA or Common Council, as applicable.