



**City of Sheboygan**  
**PLANNING AND DEVELOPMENT**

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

---

**To:** Redevelopment Authority

**Date:** September 2, 2026

**Subject:** Business RLF Program Updates and August 19 RDA Meeting  
Discussion Summary

To prepare for the U.S. Department of Housing and Urban Development (HUD) annual review in January, updates to the Business Revolving Loan Fund (RLF) are required to strengthen loan disbursement practices, align the program with industry standards, and resolve existing structural issues. As recommended by HUD, these updates include revising the loan approval process to incorporate final approval by the Common Council. Following HUD's Regional Office evaluation, a third-party technical assistance team was engaged to review the current RLF program and provide additional recommendations for improvement. On August 19, the Redevelopment Authority (RDA) reviewed these recommendations and discussed several proposed enhancements to the RLF program:

1. Interest Rates (1%–4%)

The RDA discussed fixed or tiered interest rates generally ranging from 1% to 4%, based on factors including public benefit, project risk, redevelopment impact, and job creation and retention. RDA members expressed concerns about changing its current formula of  $\frac{1}{2}$  prime lending rate + 1% and potential perceptions of favoritism. HUD's technical assistance team clarified that evaluating each application on its own financial merits is consistent with program requirements and

**City of Sheboygan**  
**PLANNING AND DEVELOPMENT**

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

---

does not constitute favoritism. The team confirmed the RLF has flexibility to vary rates appropriately.

2. Assistance Above 50%

The RDA discussed allowing assistance above the current 50% cap when a documented financing gap exists, meaningful owner equity is present, and underwriting supports the higher amount. The technical assistance team proposed providing flexibility up to roughly 60% using a calculation of 50% assistance plus 10% activity delivery costs.

3. Job Creation/Retention Standard

The RDA agreed to retain the existing benchmark of \$35,000 per job and considered allowing increases up to HUD's maximum of \$50,000 per job for high-impact projects where strong justification is provided.

4. RLF Marketing and Pipeline Development

The RDA reviewed recommendations by the technical team to enhance the RLF's marketing pipeline. Suggestions included increasing lender and partner referrals, showcasing past success stories, expanding technical assistance to potential applicants, and implementing quarterly reporting on applications, commitments, closings, cash position, and projected demand.

5. Loan Servicing and Approval Authority

Staff outlined the proposed structure for loan approvals. Under the recommended

**City of Sheboygan**  
**PLANNING AND DEVELOPMENT**

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

---

process, program staff will conduct compliance reviews, the underwriter will complete financial analysis, the RDA will provide a formal recommendation, and the Common Council will serve as the final approving authority.

These discussions will inform the upcoming revisions to the RLF program guidelines and help ensure alignment with HUD requirements, improved transparency, and stronger program administration.