

SMALL BUSINESS DEVELOPMENT REVOLVING LOAN FUND PROGRAM POLICIES

RACINE – ON THE LAKE – WISCONSIN



C/O CITY DEVELOPMENT
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INTRODUCTION

The U.S. Department of Housing and Urban Development provides local units of government with funds to stimulate economic development. CDBG funds are granted to local governments that, in turn, may use the monies to provide loans to new and expanding businesses. Businesses, in return for use of the public funds, provide private investment towards the assisted activity and create job opportunities, principally for the benefit of low- and moderate-income persons.

Repaid CDBG loans are used by communities to capitalize a local revolving loan fund (RLF) program. With the RLF, additional loans are made to businesses that are expanding or locating in the community and willing to create jobs. When successfully administered, the RLF can provide a viable source of financing that fills the "gap" between the monies that are available through the private sector and the amount needed to complete a project. In making a RLF loan to a business, communities act like a "bank" and accept responsibilities comparable to a commercial lender.

In 2015, the City of Racine, WI approved an allocation of \$371,454 of the city's 2015 Community Development Block Grant (CDBG) Funds for the purpose of establishing a small business development revolving loan fund (SBD-RLF) program. The SBD-RLF Program, administered by the City's Redevelopment Authority, is subject to related Department of Housing and Urban Development regulations as described in 24 CFR Part 570. The fund is anticipated to grow annually from repayments and interest paid on current loans, which allows for continual consideration of loan applications, and – possibly - from the City's annual CDBG allocation.

The purpose of the SBD-RLF is to provide a financial opportunity for small businesses to create or retain jobs in the City of Racine that cannot receive adequate funds for a business venture through traditional or private means (i.e. "gap financing"). The main focus of program is to create and retain employment opportunities - with a major emphasis on employment for persons from low-to moderate-income households - while recognizing the importance of small businesses in creating jobs.

The minimum amount of a loan from this program is \$25,000. The maximum depends on fund availability, not to exceed \$250,000.

Businesses must work with Small Business Development Organizations (SBDO) to sponsor their loan request and applications to participate in the SBD-RLF. The SBDO will serve as an intermediary between the Redevelopment Authority and the business.

OBJECTIVES

Activities funded through the SBD- RLF program are intended to meet the following objectives:

- 1) To encourage the creation and retention of permanent jobs which provide a wage appropriate to the skills and experience of the local labor force. A minimum of 51 percent of the jobs created and/or retained shall be made available to low- and moderate-income persons.
- 2) To encourage the leveraging of new private investment in the City in the form of fixed asset and working capital investments.
- 3) To perpetuate a positive and proactive business climate that encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
- 4) To lend monies at interest rates and loan maturities that encourages business development and facilitates reinvestment in the City, while providing for the recapitalization and growth of the RLF.

ELIGIBILITY CONSIDERATIONS

Geographic:

The area served by the SBD-RLF program shall be within the corporate limits of the City of Racine, WI. Applications from companies located outside the city limits that have facilities within the city may be allowed to apply as long as the funds will be used AND the jobs created only at the Racine facility.

Applicants:

1. Applicants must work with and be sponsored by a Small Business Development Organization (SBDO) with headquarters or field offices within 50 miles of the City of Racine, WI. The SBDO must have staff experienced in CDBG underwriting and an independent loan committee with a minimum of two-thirds representation from the banking industry. SBDO will submit a pre-application form to the Redevelopment Authority on the businesses behalf for staff review.
2. Applications must be submitted by the sole proprietor or Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation in the City.
3. No member of the governing body, Redevelopment Authority, or any other official, employee, or agent of the City of Racine who exercises decision-making

- functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.
4. No program loans will be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited) or CDBG regulations.
 5. Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition and development disability as defined in Section 51.01(5), sexual orientation or national origin.
 6. All projects and applicants for eligibility purposes must be compliance with all community adopted plans (i.e. zoning, etc.).
 7. All projects and applicants may not have any unresolved finding of non-compliance related to previous CDBG assistance.
 8. All applicants may not be on the federally disbarred list.
 9. Businesses that have received previous loans from this program may apply for new financing as long as their earlier loan was repaid and the account was in good standing throughout the loan period.

Eligible Activities

Program loans shall be available to eligible applicants for the following activities:

1. Financing real property occupied by a small business where the definition of “occupied” and “small business” meet federal Small Business Administration defined standards.
2. Financing of “fixed” fixtures or equipment used for business purposes
3. Financing of inventory and receivables.
4. Financing of working capital - inventory and direct labor costs only.
5. Loan guarantees for the above noted activities are also eligible.

Ineligible Activities

Program loans shall not be available for the following activities:

1. Refinancing or consolidating existing debt.
2. Reimbursement for expenditures prior to loan approval.
3. Specialized equipment that is not essential to the business operation.
4. Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).
5. Routine maintenance.
6. Professional services such as feasibility and marketing studies, accounting, management services, and other similar services. Legal and administrative services incurred in the closing of a RLF loan are eligible.
7. Line of Credit
8. Other activities that the Redevelopment Authority may identify during the administration of the program.

Ineligible Businesses

Program loans shall not be available for the following businesses:

1. Speculative investment companies.
2. Lending institutions.
3. Gambling operations.
4. Non-public recreation facilities.
5. Businesses not serving the interests of the City

Priorities

If the purposed project meets all threshold criteria, City Staff will utilize the following project scoring criteria to evaluate the purposed project for the purposes of making a recommendation to the Redevelopment Authority and Common Council.

Evaluation Criteria (100 Point Scale):

Job Creation or Retention (35 Points)

- Proposal would retain or create jobs in the City of Racine. Considerations include number of FTEs, wage levels & benefits, local ownership, immediate and potential for long-term creation and retention. Potential level of indirect jobs created may also be considered.

Return on Investment - Lasting Impact or Benefit (10 Points)

- Low funding to high outcome ratio. Extent to which proposal will result in long term benefits or positive impacts. Considerations to include net impact on the City, i.e. whether benefit to Racine comes at a cost to another community.

Readiness to Proceed (10 Points)

- Project can move forward quickly, ideally within 6-12 months. Considerations include site control, permitting and design, others resources, business stage.

Leverage of other Programs or Funding (10 Points)

- Extent to which the proposal includes other funding sources (including private capital) or builds upon existing programmatic capacity.

City Better Positioned for Economic Development (5 Points)

- Project will result in stronger systems, collaboration and connection of economic development efforts across the greater Racine area.

Addresses Unmet Funding or Programmatic Need (5 Points)

- No duplication. Clearly demonstrated need. Proposal requires funding that is not otherwise available or fills a programmatic need that is not otherwise being met.

Assistance to Those Adversely Impacted by Business Closures / Multiplier Effect (5 Points)

- Proposal would provide employment or other opportunities for former employees of recently closed businesses in the City of Racine. Consideration

given to proposals that will result in additional contracting opportunities to local businesses.

Capacity and Experience to Carry Out the Project (5 Points)

- Applicant has the demonstrated capacity to complete the project. Or will partner with an organization that does. Overall Track Record.

Long Term Viability (5 Points)

- Evidence of long term financial and programmatic viability of the proposal.

Coordination with Local and Regional Planning and Development Efforts (5 Points)

- Extent to which the proposal is consistent with existing local and regional plans. Demonstrates coordination with other economic and community revitalization efforts. Greater consideration will be given to proposals that support industry sectors and clusters identified in the [Southeastern Wisconsin Regional Planning Commission's Comprehensive Economic Development Strategy](#).

Implementation Plan (5 Points)

- Proposal includes a clear plan for implementation including a realistic timeline and deliverables

THRESHOLD CRITERIA

Job Creation

Job creation or retention is paramount, supreme, dominant, chief, principal, top, overriding, vital, and of the utmost importance in the SBD-RLF program. If the business fails to meet to the job objectives outlined below, at a minimum, the entire SBD-RLF or a pro-rated portion of the loan becomes immediately due and payable so it comes into compliance with the job creation and retention criteria noted below:

1. A minimum of 51 percent of the full-time equivalent (FTE) jobs created and/or retained must be made available to persons from low-to moderate-income households as defined by HUD guidelines. The current applicable income guidelines will be attached to the SBD-RLF application and shall become a part of the city's contract with successful applicants.
 - A. Low-Moderate income households based on family/household, not individual
 - B. Not construction/spin-off/indirect jobs
2. Retained jobs must be documented by showing that the jobs would actually be lost or eliminated without the assistance, and that one or both of the following applies to at least 51% of the jobs:
 - A. The job is held by an LMI person
 - B. If the position is vacated, steps will be taken to ensure that the job will be filled by, or made available, an LMI person.

3. Created or retained jobs are only considered available to or held by LMI persons when:
 - a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs or the business agrees to hire unqualified persons and provide training; and
 - b) Business must take actions to ensure that LMI persons receive first consideration for filling such jobs. This can be accomplished by comparing the candidate's address to a census tract that meets LMI criteria.
4. The Loan Recipient would have 18 months from the time the Loan Agreement is signed to create the agreed upon number of jobs.
5. One job, at a minimum, must be created or retained per \$35,000 of financial assistance.

RDA staff shall monitor the borrower's progress in meeting agreed upon job creation and/or retention goals. Job creation shall be documented using before- and after-project payroll records. In addition, to ensure compliance with the LMI requirements, employers must collect self-certification forms provided by the City from every applicant for each job created by CDBG funds.

Other General Requirements:

- 1) A minimum of 10 percent of the total project cost shall be provided in the form of equity.
- 2) The applicant must demonstrate that the proposed project is viable and that the business will have the capacity to repay the loan.
- 3) The project and the related job creation and/or retention must take place within the corporate limits of the City of Racine, WI.
- 4) Project elements occurring prior to SBD-RLF funding approval are not eligible for SBD-RLF funding or for leveraging consideration.

Other Federal Requirements:

- 1) The use of the SBD-RLF must be determined to be "necessary and appropriate" as defined by HUD guidelines.
- 2) Federal Equal Opportunity Requirements apply to all SBD-RLF funded projects.
- 3) Federal Fair Labor Standards Requirements apply to construction and rehabilitation if CD-RLF dollars are used to fund all or part of the construction or rehabilitation elements of the project (i.e. Davis-Bacon rules apply for all construction activities).
- 4) The project is subject to environmental review clearance, including review of impacts on historic properties.
- 5) The project is subject to any other applicable state and federal regulations.
- 6) CDBG funds should not be substituted for non-Federal financial support
- 7) Return on the owner's equity investment should not be unreasonably high

- 8) Funds should be disbursed on a pro rata basis with other finances provided to the project

UNDERWRITING TERMS AND CONDITIONS

A. Financing Methods

- 1) Upon proof of owner's 10% share (equity) including existing investment, CD-RLF dollars will not to exceed 90 percent of the project's total cost.
- 2) Funds should be disbursed on a pro rata basis with other finances provided to the project.

B. Terms

- 1) The interest rate will be determined based on need and/or on the beneficial impacts of the project.
- 2) Deferral of principal and/or interest payments may be allowed based only on special circumstances.
- 3) The maximum loan term on real estate shall be 15 years, on machinery and equipment shall not exceed the reasonable durable use period or 10 years, and working capital five years.
- 4) A loan-to-value (LTV) ratio of no more than 90 percent (for real estate).
- 5) A debt coverage ratio (DCR) of at least 1.15-1.25 over the life of the loan based upon reasonable projections.

C. Collateral

- 1) The City of Racine shall have a first position lien on real property and/or machinery and equipment financed by the SBD-RLF unless the need to subordinate to another lender is demonstrated.
- 2) If need is shown for the city to take a subordinated position on assets that it is financing with the SBD-RLF, the City of Racine shall have a first position lien on other assets of the business if needed.
- 3) Personal and/or corporate guarantees are required on all loans.
- 4) Other conditions or performance standards or penalties may be required depending on the circumstances of the proposed project

LOAN & SBDO ACTIVITY DELIVERY FEES

On an annual basis, up to 15 percent of the RLF program income (funds repaid to the RDA) will be made available for personnel costs and other RLF administrative expenses incurred in the maintenance of the RLF program. In addition, the following fees shall be assessed to all loan recipients:

1) Loan Underwriting Fee: A one-time loan fee of up to 3 percent of the RLF loan amount, with a minimum of \$1,000 will be charged to help cover the cost of activity delivery fees. All loan application fees shall be identified as CDBG program income and deposited in the RLF account prior to being used to finance administrative costs associated with the program.

2) Small Business Development Organization staff time spent underwriting the applicants loan will first be charge to the Loan Underwriting Fee noted above. In the event that the SBDO’s costs exceed the amount available through the Loan Underwriting Fee noted above, the RDA will reimburse them at cost not to exceed 8 percent of the loan amount not included the above fee. The SBDO must provide documentation of all costs. If the costs exceed 6 percent of the loan amount, the SBDO must provide a letter documenting why the underwriting cost exceeded that amount.

3) Loan Origination Fees: The City shall require a loan origination fee of \$500 or up to 1 percent of the RLF loan amount, whichever is greater. In addition, the City shall require the applicant to pay all legal fees and costs incurred by the City for the RLF loan closing. The fees may be added to the principal amount of the loan and paid with RLF funds. All loan origination fees, including attorney's fees, shall be identified as CDBG program income and deposited in the RLF account. These funds will then be used to pay for administrative costs associated with the RLF program.

Example:

SBDO has a cost of \$2,000 to underwrite a \$50,000 loan.

Business Capital Need:	\$50,000	
Loan Underwriting Fee:	\$ 1,500	To SBDO
Loan Origination Fee:	\$ 500	To City
Total Loan Cost to Business:	\$52,000 (+ Interest)	
Add. SBDO Underwriting Cost:	\$ 500	To SBDO
Total Drawn from SBD-RLF:	\$52,500	

APPLICATION PROCEDURES

Businesses need not interact directly with the Redevelopment Authority or City staff to initiate a CDBG SBD-RLF application. In fact, Redevelopment Authority or City staff will only refer interested business to SBDO’s. SBDO’s may have their own loan funds that may be more advantageous to that business, and may be aware of other programs that are better suited to the business’s needs. Referring the business to the SBDO is in the best interest of the business, and to the City of Racine as we can draw upon their underwriting and small business development expertise. All SBDO’s must have an affirmative recommendation from their existing loan committees - consisting of at least

2/3 members from the banking industry – prior to submitting the official application on behalf of the business (note: not the project inquiry form).

1. PROJECT INQUIRY FORM SUBMITTAL:

The first step in applying for funding is to submit a Project Inquiry Form. This form must be completed, signed, by the applicant and signed and submitted by sponsoring SBDO. The Project Inquiry Form is submitted directly to the Redevelopment Authority of the City of Racine. Upon receipt of an inquiry form, the City staff will review the project information for CDBG eligibility.

2. INITIAL CONFERENCE CALL AND THRESHOLD REVIEW:

Once the Project Inquiry Form has been reviewed by City staff, an initial project threshold review is done via a telephone conference call with the SBDO. The first conference call is scheduled by City staff and typically only includes the SBDO sponsoring the owner / developer. City staff reviews the process and go over roles, responsibilities and risks involved in funding CDBG SBD-RLF projects. On the call, discussion topics will include: 1) what documentation will be required for the full CDBG application; 2) what the requirements are for compliance with CDBG standards; and 3) what federal overlay compliance will be triggered for project. At the end of the call, if the sponsor wishes to proceed with sponsoring the project for funding from an SBD RLF application, then City Development staff will complete a threshold review of project eligibility. City Staff may request additional information about the project and schedule a second conference call as part of doing a threshold review. The Department will issue a written decision on project eligibility based on the inquiry form and conference call.

3. WRITTEN CONFIRMATION OF PROJECT ELIGIBILITY:

City Development staff will compile the project threshold information, make a determination of eligibility, and present a recommendation to the Director of City Development: an invitation to apply; denial of an application; or request further action to finalize eligibility. Based on one of the three (3) recommendations, the sponsoring non-profit and applicant will receive written notification from the Department of the SBD RLF application eligibility. If approved, the letter will invite the sponsoring non-profit and applicant to submit an SBD RLF application. Upon issuing a written invitation to apply, City staff will schedule a project site visit.

4. PROJECT SITE VISIT:

City staff will arrange a meeting with the applicant at the project site. This will provide an opportunity to validate the information provided about the proposed project. It will also allow the City staff to meet the project's business owner / developer and discuss details of the proposal.

At the site visit, additional questions are answered and CDBG requirements are again reviewed, such that a common understanding of CDBG compliance is established and the SBD RLF application process with roles and responsibilities clarified. A timeline for application preparation is informally developed, based on when the CDBG funds are needed and the different federal requirements to be addressed.

5. DEVELOPING AND SUBMITTING AN SBD RLF APPLICATION

As with all CDBG funding proposals, the applicant and City must follow the required public participation process. This consists of at least one, but preferably two, public hearings. One will be held with the Redevelopment Authority and one with the City of Racine Common Council.

The SBD RLF Application Invitation letter will indicate what application forms need to be completed. Each SBD RLF project is unique, so each will have specific information that needs to be provided as part of completing the activity forms.

City Development staff will work closely with the applicants' SBDO and development tea, to guide them through the documentation and underwriting process. The applicants sponsoring SBDO staff will always be the primary contact and have primary responsibility for completing the application process. In some cases, not all the information required may be available, i.e. final funding commitments. If so, those items will be made "Special Conditions" (see Contract Execution and Disbursement of CDBG Funds section below) of funding in the Department's approval and grant agreement. Most of the work involved in the SBD RLF application process is the financial underwriting analysis and determining the terms and conditions for CDBG loan funds. Completing the final application is a joint effort of all the parties: 1) City staff; 2) Small Business Development Non-Profit Sponsor staff; 3) business owner / developer; 4) private banks and other underwriters.

Note: Any project "work" started before contract execution and the clearance of all conditions, regardless of the source of the funds used, is a risk to the project and it is highly recommended that all project team members stay in contact with their City staff to ensure no federal overlay compliance issues occurs. Cost of compliance with federal overlays is an eligible CDBG expense, so the applicant may wish to pay for the environmental review (Depending on the level of complexity involved, City Development may be able to compete the environmental review) and get the Department's written approval, so the business can proceed with their project expansion, at their own risk, prior to CDBG funding award. This process requires the applicant to submit a written request to incur costs, along with what project action the costs will pay for and who will be doing the work. The Department must respond in writing before the cost can be incurred. If the Department agrees, then a formal letter allowing CDBG project costs to be incurred, at the risk of the applicant, will be issued.

Once the activity forms are completed and financial underwriting is done and the SBDO's loan committee has given their favorable recommendation of the loan, then the application can be presented to the Redevelopment Authority and Racine Common Council for approval via a formal resolution. Approval of the final application by the Common Council must follow the same process as other CDBG applications, including: properly noticed public hearing(s); adoption of resolution approving submittal of application and properly completed and signed application summary forms and certifications.

6. DEPARTMENT APPROVAL OF SBD-RLF APPLICATION:

Once the activity application is submitted, along with a resolution, and Summary Application form, City staff will present the project proposal to the Director of City Development for final approval. The Director will determine, if any, additional Special Conditions that should be included in the contract conditions. City Development staff will incorporate any Special Conditions recommended by the Director into the CDBG award package and grant contract. After Director Approval, a Department award letter is issued. Approval of the project proposal by the Department's Director can be done in approximately two weeks. City Development staff will then work on developing a grant agreement for the project.

7. CONTRACT EXECUTION AND DISBURSEMENT OF CDBG FUNDS:

The executed grant agreement will contain General Conditions that must be completed by the applicant's development team and possibly some Special Conditions (conditions unique to this project) that the applicant must "clear" prior to release of any CDBG funding from the Department.

Once all the conditions of the grant agreement have been met, the applicant may be submitted properly documented reimbursement requests to the Department via the appropriate departmental forms.

DISTRIBUTION OF FUNDS TO APPROVED BUSINESSES

Loan Agreement

Prior to the city's distribution of CD-RLF funds, all appropriate documents such as a loan agreement, promissory note, repayment schedule, security instruments, personal guarantee and any others deemed appropriate shall be prepared and executed.

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

- 1) The creation and/or retention of the agreed upon number of jobs within 18 months of the date of the execution of the loan agreement with the City.
- 2) Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation, or national origin in any employment or construction activity related to the use of SBD-RLF monies.
- 3) To use SBD-RLF monies only to pay the cost of services and materials necessary to complete the SBD-RLF project or activity.
- 4) To permit inspections by persons authorized by the City of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
- 5) To maintain records on the project that are necessary for the City to determine if the performance of the business complies with the terms of the loan agreement. Files shall be maintained as long as the loan is active or for at least seven years after completion of the work for which the loan has been obtained, whichever is longer.
- 6) To submit the following documentation during the outstanding term of the SBD-RLF loan: a) annual financial statements verified by the borrower within 45 days of the end of each calendar year, b) annual financial statements compiled by an independent accountant in accordance with generally accepted accounting principles within 120 days of the end of each fiscal year, c) signed copies of corporate Federal income tax returns within 30 days following their due dates, and d) annual progress reports.
- 7) To maintain property-casualty insurance for the property financed with SBD-RLF monies for the term of the SBD-RLF loan. The City shall be listed as a mortgagee, loss payee, and/or additional insured, as appropriate, on the policy. In addition, key-person life insurance coverage naming the City as a beneficiary, with a declining balance equal to the outstanding loan balance may be used where appropriate.
- 8) To abide by all Federal laws, when applicable. These include, but may not be limited to: the Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and, all regulations pursuant to these Acts.
- 9) To collect the self-certification forms provided by the RDA from every applicant for each job created by CDBG funds

- 10) The business will not relocate the jobs created through the loan for the length of the loan agreement at a minimum.

Evidence of Expenditures

The business must provide documentation related to SBD-RLF fund expenditures prior to release of SBD-RLF funds. Such documentation shall be for expenditures outlined in the application and the loan agreement, and shall include invoices, receipts and/or final bills of sale or canceled checks as determined appropriate by the RDA staff.

REPORTING REQUIREMENTS

Federal Reporting Requirements

During each quarter, the loan recipient shall complete a document which details the number of jobs created during that quarter that would fulfill the company's commitment to providing jobs to low/moderate income households. The report form will be mailed to each loan recipient. The RDA staff shall monitor the job creation and/or retention of the business utilizing the payroll records of the business. The business shall be required to provide the RDA staff with all documentation, payroll records and contact with employees necessary to document that all requirements are being met. Site visits will be conducted to audit payroll documents and use of loan funds.

Loan recipients neglecting to submit their reports in a timely will be held in default per the loan agreement.

Leverage Commitments

The RDA staff shall monitor the expenditure and use of funds committed for leveraging. Documentation required from the business shall include invoices, receipts and final bills of sale or canceled checks as determined appropriate by the RDA staff.

REPAYMENTS AND DEFAULT

Repayments

All payments are due on the 1st of each month. Payable to the City of Racine, WI with the memo reading "CDBG SBD RLF."

Prepayment of Loan

There is no penalty for pre-payment of the loan.

Late Payments

Any payment more than 30 days past due will be considered late. The loan recipient will be contacted by RDA staff requesting the account is brought current. After 60 days, RDA staff will send a letter requesting full remittance of late payments.

Defaults

Default Failure by the business to make any payment of principal or interest within 90 days after the payment is due and payable shall be considered a default. In the event of a default, all sums due and owing to the city shall, at the city's option, become immediately due and payable. To exercise this option, the City Attorney shall prepare a written notice to the company. The notice shall specify the following:

1. The default.
2. The action required to cure the default.
3. The date, not less than 60 days from the date of the notice, by which the default must be cured to avoid foreclosure or other collective action.

Recapitalization of the SBD-RLF

Repaid SBD-RLF monies shall be deposited in the SBD-RLF account as program income and used in a manner consistent with the RLF manual. A separate record for each loan shall be kept to account for all funds loaned. The RLF account shall be audited on an annual basis and City staff shall provide progress reports as required to the Wisconsin Department of Administration regarding the use of RLF program income. Reports shall be submitted on forms prescribed by the Department.

PROJECT & LOAN CLOSURE

Project Closeout

Upon completion of the project funded by the SBD-RLF, the business shall notify the city that the project has been completed. Loan recipients may document closure with photographs of completed work and other statements related to the project.

Payback Period

Written records shall be maintained in appropriate files located in a secure place with limited access by authorized personnel. The City Finance Department will prepare financial reports for the SBD-RLF program and distribute the reports to members of the RDA and the Common Council on a quarterly basis.

Loan Closeout

One month before closing out the loan, the business should contact the city for the correct amount to pay off the outstanding loan balance. Once the final payment is made, the business will be sent a letter with all originating loan documents returned marked "paid in full."

Record Retention

Business must retain all records related to the SBD-RLF loan for a minimum of seven years.

2015 HUD Income Limit Reference Chart

2015 HUD INCOME LIMITS																		
Median	\$	65,500.00																
			Household Size															
			1	2	3	4	5	6	7	8								
	10%	\$	4,590	\$	5,240	\$	5,900	\$	6,550	\$	7,080	\$	7,600	\$	8,130	\$	8,650	< Eligible >
	20%	\$	9,180	\$	10,480	\$	11,800	\$	13,100	\$	14,160	\$	15,200	\$	16,260	\$	17,300	
	30%	\$	13,770.00	\$	15,720.00	\$	17,700.00	\$	19,650.00	\$	21,240.00	\$	22,800.00	\$	24,390.00	\$	25,950.00	
	40%	\$	18,360.00	\$	20,960.00	\$	23,600.00	\$	26,200.00	\$	28,320.00	\$	30,400.00	\$	32,520.00	\$	34,600.00	
	50%	\$	22,950.00	\$	26,200.00	\$	29,500.00	\$	32,750.00	\$	35,400.00	\$	38,000.00	\$	40,650.00	\$	43,250.00	
	60%	\$	27,540.00	\$	31,440.00	\$	35,400.00	\$	39,300.00	\$	42,480.00	\$	45,600.00	\$	48,780.00	\$	51,900.00	
	70%	\$	32,130.00	\$	36,680.00	\$	41,300.00	\$	45,850.00	\$	49,560.00	\$	53,200.00	\$	56,910.00	\$	60,550.00	
	80%	\$	36,720.00	\$	41,920.00	\$	47,200.00	\$	52,400.00	\$	56,640.00	\$	60,800.00	\$	65,040.00	\$	69,200.00	
	90%	\$	41,310.00	\$	47,160.00	\$	53,100.00	\$	58,950.00	\$	63,720.00	\$	68,400.00	\$	73,170.00	\$	77,850.00	Ineligible
	1.00	\$	45,900.00	\$	52,400.00	\$	59,000.00	\$	65,500.00	\$	70,800.00	\$	76,000.00	\$	81,300.00	\$	86,500.00	
	110%	\$	50,490.00	\$	57,640.00	\$	64,900.00	\$	72,050.00	\$	77,880.00	\$	83,600.00	\$	89,430.00	\$	95,150.00	
	120%	\$	55,080.00	\$	62,880.00	\$	70,800.00	\$	78,600.00	\$	84,960.00	\$	91,200.00	\$	97,560.00	\$	103,800.00	
Note: Round to the nearest hundred																		
			Percent of CMI Based on Income and Family Size															
Insert Income:	Insert Income Here	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!								

A minimum of 51 percent of the full-time equivalent (FTE) jobs created and/or retained must be made available to persons from low-to moderate-income households as defined by HUD guidelines.

This information is updated annually by HUD.