



## NOTICE OF FUNDING AVAILABILITY (NOFA)

### SMALL BUSINESS EMERGENCY ASSISTANCE FUND

ISSUE DATE:

May 4, 2020

CLOSING DATE:

Applications accepted on a first come, first served basis

This project is an economic development activity funded with the City's Community Development Block Grant-CV funding received as part of the CARES Act. The Emergency Assistance Fund targets Sheboygan businesses with five (5) or fewer employees as defined by HUD's microenterprise definition, and addresses disparities in minority lending and business ownership in Sheboygan.

This is a new program being offered to City of Sheboygan small businesses only during the COVID-19 pandemic. The City of Sheboygan values the small businesses in the community and feels this is way to bridging a gap during these difficult times and also being ordered to close by the State of Wisconsin.

The Emergency Fund application process and generally follows the following steps:

1. Applicant submits program application to City Development staff.
2. Staff completes a threshold review.
3. Eligible applications scored by staff and selected for approval.
4. Staff develops and executes contract.
5. Staff ensures project implementation.
6. Staff provides updates a necessary.

**The U.S. Department of Housing and Urban Development does not allow for duplication of benefits, meaning if you have received other CARES Act funding for example, SBA's Payroll Protection Program, etc. you are not eligible for this loan program. Appendix B provides a certification that no other CARES Act funding was received.**

Deliver to:

City Hall Drop Box, North 9<sup>th</sup> Street side of the City Hall

DEPARTMENT OF  
PLANNING AND  
DEVELOPMENT

828 Center Avenue,  
Suite 208  
Sheboygan, WI 53081

920-459-3377 (Phone)  
920-459-7302 (Fax)

Mail to:

City of Sheboygan  
Department of City Development  
Attn: Chad Pelishek  
828 Center Avenue, Suite 208  
Sheboygan, WI 53081

Email to: [Chad.Pelishek@sheboyganwi.gov](mailto:Chad.Pelishek@sheboyganwi.gov)

## **CONTACT**

Chad Pelishek  
Director of Planning and Development  
Department of City Development  
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Sheboygan, WI 53081  
Phone: (920) 459-3383  
Email: [chad.pelishek@sheboyganwi.gov](mailto:chad.pelishek@sheboyganwi.gov)

## **AVAILABILITY OF FUNDS**

In response to the economic impact of the COVID-19 pandemic, the City of Sheboygan is allocating up to \$420,000 of the CDBG-CV funding towards the development of this new microenterprise program referred to as the Small Business Emergency Assistance Fund.

Funding provided through this program will be provided as a 6-month forgivable loan, with awardees eligible to complete forgiveness of the loan provided they maintain compliance with Community Development Block Grant, city requirements and other obligations set forth in their submitted application.

**The maximum request is \$15,000. A minimum funding amount of the \$3,000 is required to apply for funding.**

## **ELIGIBLE APPLICANTS**

For-profit businesses based within the City of Sheboygan employing up to five (5) individuals at the time of application submission may apply. Business must be located within the City of Sheboygan jurisdictional boundary. Business has been in operation for 6 months or more. Business commits to retaining a minimum of one (1) Full-Time Equivalent (FTE) job for the duration of the loan (6 months). FTE is calculated as one or more employee's hours combining to equal 40 hours per week. Existing employees shall each complete the household income self-certification form including in Appendix C of the application.

## **PROPOSAL COSTS AND PAYMENT OF CONTINGENT FEES**

The City is not liable for any costs incurred by an applicant prior to execution of a forgivable loan agreement. All costs incurred in response to this solicitation are the responsibility of the applicant.

## **ACCEPTANCE OF TERMS AND CONDITIONS**

By submitting a response to this Notice of Funding Availability, the applicant acknowledges and accepts all terms and conditions of this request and all City, State, and Federal regulations and requirements related to the delivery of the eligible activities. If the applicant is awarded a contract, the applicant's application will become part of the contract agreement. The applicant is bound by the terms of the application unless the City agrees that specific parts of the application are not part of the agreement. The City reserves the right to introduce different or additional terms and/or conditions during final contract negotiations. Applicants will be required to enter into formal written agreements with the City. The City will not make exceptions to policies and procedures outlined in the program guidelines that are derived from HUD requirements. The City, however, reserves the right, at its sole discretion, to deviate from City-imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

Applicants to this program for funding need to provide certification and documentation that no other CARES Act has been received prior to the award of funds under this program. Applicants shall complete Appendix B of the application.

## **CDBG NATIONAL OBJECTIVE**

Under federal regulations, use of CDBG funds for microenterprise activities must meet the national objective of benefit to low/moderate ("low/mod") income persons under the Limited Clientele definition at the time of household income certification and for up to 6 months following certification. As such, all microenterprise owner households must be documented as employees of the business and meet HUD's low/mod household income definition prior to receiving any Program services. This is in addition to meeting the "definition" of a microenterprise, as described above.

City Staff will verify that microenterprise owner(s) meet HUD's low/mod income household requirement by completing the HUD 24 CFR Part 5.609 income verification process. Micro Fund program applicants

must submit documentation to complete the income verification process to determine program eligibility as requested by City staff (included in Appendix C of the application). This information will be kept confidential to the extent permitted by law, but will be used to determine program eligibility. Separate files will be maintained by the City for each CDBG Microenterprise application.

As with other microenterprise program activities, if the City determines that the applicant household income information is not accurate, is over HUD's income limits, is using funds for ineligible activities, or is disqualified from receiving federal assistance, then all program services will cease immediately and any allocated funds will be due and payable immediately.

### **DESCRIPTION OF MICRO FUND PROCESS**

#### **1. THRESHOLD REVIEW:**

Once the application has been reviewed by City staff, staff may request a meeting with the applicant. During the meeting, discussion topics may include: 1) incomplete or omitted documentation; 2) required income documentation for compliance with CDBG standards; and 3) federal overlay compliance triggered by project. City Staff may request that additional information about the project be received within a specific deadline, and schedule additional meetings as part of the threshold review. The Department will issue a written decision on project eligibility based on the application, follow-up meetings, and timely receipt of additional documentation.

#### **2. FINAL REVIEW AND FUNDING RECOMMENDATIONS:**

Development staff will review program applications and make recommendations to a city staff review committee made up of the City Administrator, Finance Director, Director of Planning and Development and the City Attorney or their designee to expedite the disbursement of funds.

Note: Any project "work" started before contract execution and the clearance of all conditions, regardless of the source of the funds used, will not be eligible for funding. City Development will complete the environmental review prior to disbursement of funds. The establishment of this program will follow the Economic Development Loan Program policies and procedures as previously approved by HUD.

#### **3. CONTRACT EXECUTION AND DISBURSEMENT OF CDBG FUNDS:**

The executed loan agreement (contract) will be developed by Development staff. The agreement will contain General Conditions that must be completed by the applicant, and any Special Conditions (conditions unique to this project) that the applicant must “clear” prior to release of any CDBG funding from the Department.

Once conditions of the loan agreement have been met, as determined by Development Staff, the applicant may submit reimbursement requests to the Department.



# CITY OF SHEBOYGAN

## MICRO-ENTERPRISE FINANCIAL ASSISTANCE

## BUSINESS INFORMATION

Name of Business:

Dba Name (if applicable):

**Mailing Address:**

City:	State:	ZIP Code:
Phone:	Email:	

Address of Operations (if different):

City:	State:	ZIP Code:
Website:	Other:	

Federal EIN:	DUNS code:		
Date of Incorporation:	Number of Employees:		
Is Business Minority-Owned?	Y/N	Is Business Women-Owned?	Y/N

Has business ever been subjected to criminal or civil fines and penalties including from city code or regulatory violations? Y/ N

BUSINESS TYPE:  LLC  Partnership  Sole Proprietor  Other

## BUSINESS DESCRIPTION

### OWNER INFORMATION

-list majority owner(s) first-

Owner Name:

Mailing Address:

City:	State:	ZIP Code:
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Phone:	Email:
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8 or older: (circle)	Y / N	Percent Ownership:	Industry Experience (yrs):
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Low/Mod Income Household: (circle)	Y / N	Currently in bankruptcy: (circle)	Y / N
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Number of people in Household: (include all adults and children)	Total Household Income: <small>(Verification will be required for approved projects)</small>
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Please summarize owner's experience in industry:

Owner Name:

Mailing Address:

City:	State:	ZIP Code:
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Phone:	Email:	
18 or older: Y / N (circle)	Percent Ownership:	Industry Experience (yrs):
Low/Mod Income Household: Y / N (circle)	Currently in bankruptcy: Y / N (circle)	
Number of people in Household: (include all adults and children)	Total Household Income: (Verification will be required for approved projects)	

Please summarize owner's experience in industry:

Owner Name:

Mailing Address:

City:	State:	ZIP Code:
Phone:	Email:	
18 or older: Y / N (circle)	Percent Ownership:	Industry Experience (yrs):
Low/Mod Income Household: Y / N (circle)	Currently in bankruptcy: Y / N (circle)	
Number of people in Household: (include all adults and children)	Total Household Income: (Verification will be required for approved projects)	

Please summarize owner's experience in industry:

**PLEASE LIST ADDITIONAL OWNER INFORMATION BELOW OR ATTACH SEPARATE PAGE IF NECESSARY**

## FUNDING SOURCES

List all secured or requested funding within the last 12 months-  
*(include bank loan requests, KIVA, crowd-sourced, city programs, or other)*

SOURCE	AMOUNT	DATE REQUESTED	RECEIVED Y/N

## PROJECT BUDGET

SOURCE	AMOUNT	USE
Example: City Micro Fund	\$	Example: Equipment Purchase
Example: City Micro Fund	\$	Example: Marketing
Example: Owner Equity	\$	Example: Accountant or Professional Services
Example: KIVA financing	\$	Example: Permit fees
TOTAL	\$	

## PROJECT INFORMATION

Funding Need (check all that apply):

	<b>Equipment*</b>	<b>Inventory</b>
	Marketing	Professional Services
	Rent/Lease Payments	Permits and Licenses
	<b>Debt refinancing</b> <i>(not to exceed 25% of funding request)</i>	Other
	Fixtures	
	<b>Payroll**</b> <i>(excluding owner(s) salary)</i>	

\*Please include 3<sup>rd</sup> party cost estimates and product/equipment information as attached documents

\*\* Total loan amount shall reflect your payroll expenses over the designated timeframe.

**Needs Summary:**

*(Please provide a brief description of your current funding needs and the anticipated impact on your business. Include a timeline for the loan project)*

## BUSINESS INCOME SUMMARY (ACTUAL)

ANNUAL or  MONTHLY

Fill in summary table below in addition to budget info provided in business plan

Reporting Period:	MM/DD/YR - MM/DD/YR
<b>Revenue:</b>	-----
Product Sales	\$
Service Billing	\$
<b>TOTAL REVENUE</b>	\$
<b>Costs of Goods:</b>	
Product Inventory	\$
<b>Operating expenses:</b>	
Research and development	\$
Marketing	\$
Transportation	\$
Administrative & Accounting	\$
Liability Insurance	\$
Payroll & Fringe Benefits including workers comp/Unemployment Insurance	\$
Utilities	\$
Rent or Mortgage	\$
Existing Debt Service- principal and interest payments	\$
Other expenses	\$
<b>TOTAL EXPENSES</b>	\$
<b>INCOME (Total Revenue – Total Expenses)</b>	\$

Note: Applicants can provide a current profit/loss statement in lieu of completing this table.

## PROJECTED INCOME AFTER LOAN

ANNUAL or  MONTHLY

Fill in summary table below in addition to budget info provided in business plan

<b>Reporting Period:</b>	<b>MM/DD/YR - MM/DD/YR</b>
<b>Revenue:</b>	-----
Product Sales	\$
Service Billing	\$
<b>TOTAL REVENUE</b>	\$
<b>Costs of Goods:</b>	
Product Inventory	\$
<b>Operating expenses:</b>	
Research and development	\$
Marketing	\$
Transportation	\$
Administrative & Accounting	\$
Liability Insurance	\$
Payroll & Fringe Benefits including workers comp/Unemployment Insurance	\$
Utilities	\$
Rent or Mortgage	\$
Existing Debt Service- principal and interest payments	\$
Other expenses	\$
<b>TOTAL EXPENSES</b>	\$
<b>INCOME (Total Revenue – Total Expenses)</b>	\$

Note: Applicants can provide a current profit/loss statement in lieu of completing this table.

## Environmental Review

Per HUD requirements, all construction related work on the site must stop upon submission of this application until city staff can complete the statutory environmental review. If work continues before a statutory review is completed, it is a choice-limiting action, and loan funds cannot be provided for this project.

I have read and understand the stated guidelines. Initial here: \_\_\_\_\_

**APPLICANT STATEMENT:** I hereby certify that the information on this form is complete and accurate. I understand that the information provided may be subject to further verification by the City of Sheboygan, or the US Department of Housing and Urban Development. If necessary, I will provide the information required to verify this data (e.g. payroll records, tax filings, bank account statements, etc.). I, therefore, authorize such verification, and I will provide the supporting documentation, if necessary.

**SIGNATURE:** \_\_\_\_\_ Date: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Title (please print): \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ Date: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Title (please print): \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ Date: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Title (please print): \_\_\_\_\_

**Please provide signature(s), printed name(s), and title(s) of additional owners on separate page (if applicable).**

<b>X</b>	<b>Please submit <u>copies</u> of documents if available/applicable</b> • Indicates mandatory items
	*Micro-Enterprise Application (original)
	*Income self-verification forms (See Appendix C)
	*Proof of Incorporation - WI Dept of Financial Institutions
	Business Operating Agreement – (for multiple partners)
	Other Funding Sources- letters of approval / denial
	*Proof of Business Insurance- liability
	Lease or Mortgage Information
	Ownership or partnership agreements (if applicable)
	Section 3 registration (if applicable)

**NOTE:** Staff may follow-up with applicants for additional information and documents as necessary.

## APPENDIX A

### CDBG-CV MICROENTERPRISE LOAN FUND PROGRAM

#### SCORING MATRIX

*If the proposed project meets all threshold criteria, reviewers will utilize the following project scoring criteria to evaluate the proposed project for the purposes of making a funding recommendation. Scoring will help determine priority of project application versus other projects competing for loan funds. The highest scoring projects will be recommended for funding.*

#### Evaluation Criteria (100 Point Scale):

Capacity and Experience to Carry Out the Project (15 Points) ○ Applicant has the demonstrated capacity to complete the project. Consider project status, industry experience, and business development classes and resources.	
Readiness to Proceed (10 points) ○ Through the submitted business plan, the project has thoroughly demonstrated a proof of concept and clear market analysis. Proposal includes a clear plan for implementation including a realistic timeline with set deliverables.	
New Business Enterprise (10 points) ○ Business has been operating for more than 6 months and less than 2 years	
Minority Business Enterprise (15 points) ○ Business is a minority-owned business enterprise (51%).	
Section 3 Registered (15 points) ○ Business is a HUD-registered Section 3 business enterprise. <a href="https://portalapps.hud.gov/Sec3BusReq/BRegistry/RegisterBusiness">https://portalapps.hud.gov/Sec3BusReq/BRegistry/RegisterBusiness</a>	
City Better Positioned for Economic Development (15 Points) ○ Project will result in stronger systems through collaboration and connection of economic development efforts across the greater Sheboygan area.	
Application Completeness (20 points) ○ Due to the timeliness of getting funds out to small businesses, completed applications will be processed as a priority.	
<b>TOTAL</b>	

**APPENDIX B**  
**DUPLICATION OF BENEFITS AFFIDAVIT**

As part of the Microenterprise Small Business Fund application process, the Duplication of Benefits (DOB) Affidavit is required to assist applicants of this funding in verifying all funding a business has received for COVID-19 related losses in order to eliminate any duplication of benefits.

**INSTRUCTIONS**

The affidavit is divided into four (4) components:

1. Assistance received from other disaster recovery business assistance programs being administered by the grantee;
2. Insurance assistance received for disaster related losses; and,
3. Government, bank and any and all other funding received by a business for disaster related losses.
4. Attachments;
5. Signature(s)

Read each component in full and provide the accurate information.

**Government, Bank and Other Funding Sources Duplication of Benefits Affidavit**

This section identifies any sources of funds that the business has received as a result of the CARES Act, other than insurance. Sources of funds include but are not limited to: Federal, state and local loan/grant programs, private or bank loans, nonprofit donations or loans. Please indicate below the amount allocated to your business from any and all funding sources.

**Source of Funds #1**

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan <input type="checkbox"/> Nonprofit Grant <input type="checkbox"/> Private Loan	<input type="checkbox"/> Government Grant <input type="checkbox"/> Nonprofit Loan <input type="checkbox"/> Other: _____	<input type="checkbox"/> Government Forgivable Loan <input type="checkbox"/> Nonprofit Forgivable Loan

**Source of Funds #2**

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan <input type="checkbox"/> Nonprofit Grant <input type="checkbox"/> Private Loan	<input type="checkbox"/> Government Grant <input type="checkbox"/> Nonprofit Loan <input type="checkbox"/> Other: _____	<input type="checkbox"/> Government Forgivable Loan <input type="checkbox"/> Nonprofit Forgivable Loan

**Source of Funds #3**

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan <input type="checkbox"/> Nonprofit Grant <input type="checkbox"/> Private Loan	<input type="checkbox"/> Government Grant <input type="checkbox"/> Nonprofit Loan <input type="checkbox"/> Other: _____	<input type="checkbox"/> Government Forgivable Loan <input type="checkbox"/> Nonprofit Forgivable Loan

**Signature(s)**

By executing this Affidavit, Applicant(s) acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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Applicant (Affiant) Signature Print

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Applicant name (Affiant)

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Joint Applicant (Affiant) Signature Print

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Joint Applicant name (Affiant)

## APPENDIX C

### CDBG-CV SMALL BUSINESS EMERGENCY ASSISTANCE

#### **EMPLOYEE INCOME DATA FORM** (To be filled out by employer)

Employer: After the new and current employee has completed the "Employee Income Certification Form", please provide the following information for all employees (new, current, retained, terminated) that were hired as a result of the CDBG-CV Small Business Emergency Assistance program.

1. NAME AND ADDRESS OF EMPLOYER

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

2. NAME AND ADDRESS OF EMPLOYEE

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

3. EMPLOYEE IDENTIFICATION NUMBER (or S.S #)

4. JOB TITLE \_\_\_\_\_

5. DATE HIRED \_\_\_\_\_ OR DATE RETAINED \_\_\_\_\_

6. DATE TERMINATED, if applicable \_\_\_\_\_  
DATE REPLACEMENT HIRED \_\_\_\_\_

7. AVERAGE HOURS WORKED PER WEEK \_\_\_\_\_

8. WHEN HIRED, was employee LMI (Low and/or moderate income)? \_\_\_\_\_

9. LMI STATUS VERIFIED BY:

\_\_\_\_\_ Employee Income Certification Form

\_\_\_\_\_ Wisconsin Job Service

**TO BE FILLED OUT BY THE EMPLOYEE**  
**EMPLOYEE INCOME CERTIFICATION FORM**

The U.S Department of Housing and Urban Development (HUD) has provided funds to the City of Sheboygan for the purpose of assisting employers. Your employers, as a condition of receiving this assistance, must certify to the City of Sheboygan the previous 12 months household income for each employee hired/retained. To assist the business in meeting this requirement, please provide the information as request below.

**INSTRUCTIONS:**

Find the "Size of your Household" row that corresponds with the number of persons in your household during the 12-month period before your hire date. In the same row, place a check mark in the "Less Than" or "More Than" column that reflects your before taxes household income for the 12 month period before your date of hire in comparison to the corresponding figure given. *Example: If there were 4 person in your household during the 12-month period before your date of hire and your combined household income was \$56,000, a check would be placed next to 4 persons and check would be placed in the "Less Than" column after \$58,700.*

SIZE OF HOUSEHOLD	INCOME (2020)	LESS THAN	MORE THAN
1 PERSON	\$41,100		
2 PERSONS	\$47,000		
3 PERSONS	\$52,850		
4 PERSONS	\$58,700		
5 PERSONS	\$63,400		
6 PERSONS	\$68,100		
7 PERSONS	\$72,800		
8+ PERSONS	\$77,500		

**I UNDERSTAND THAT THE INFORMATION PROVIDED IN THIS CERTIFICATION IS SUBJECT TO VERIFICATION BY THE CITY OF SHEBOYGAN AND/OR HUD.**

DATE \_\_\_\_\_ EMPLOYER \_\_\_\_\_

EMPLOYEE (printed name) \_\_\_\_\_

EMPLOYEE signature \_\_\_\_\_

## HUD REQUESTS THE FOLLOWING INFORMATION:

1. Name \_\_\_\_\_
- Address \_\_\_\_\_
- City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_
2. Employee Identification Number (or last 4 digits of S.S.#) \_\_\_\_\_
3. Job Title \_\_\_\_\_
4. Date of Hire \_\_\_\_\_ Or Date Retained \_\_\_\_\_
5. Average hours worked per week \_\_\_\_\_

## HUD ALSO REQUESTS THE OPTIONAL INFORMATION:

6. Place a check mark next to all races that apply:  
 White  
 Black  
 Asian/Pacific Islander  
 American Indian  
 Other
7. Are you of Hispanic origin/Latino \_\_\_\_\_
8. What is your current age? \_\_\_\_\_
9. What is your sex?      Female      Male
10. Are you a single female? \_\_\_\_\_ Are you head household? \_\_\_\_\_
11. Are you physical handicapped? \_\_\_\_\_
12. Is there a handicapped person in your household? \_\_\_\_\_
13. Are there children in your household? \_\_\_\_\_