

**ECONOMIC DEVELOPMENT ASSISTANCE FUND  
(SECTION 108 LOAN PROGRAM)  
FACT SHEET**

The Lowell Economic Development Assistance Fund is capitalized with \$10 million of Federal Community Development Block Grant funds to assist primarily private for-profit businesses seeking to locate, expand, or remain in business within Lowell. Also, non-profit organizations undertaking economic development projects, with the necessary capital and technical assistance to undertake their projects, are eligible.

**Eligibility Criteria/Guidelines**

Businesses are eligible for assistance in the form of a loan, loan guarantee, interest supplements, technical assistance, and other forms of support. The form of the support from the Loan Fund depends on the financial and management need of the business for that type of support, as demonstrated by an analysis of their business plan and financial information.

Loans and other forms of support may be provided for the following uses:

Purchase of capital equipment – with the exception of rolling stock (e.g., motor vehicles) and production equipment, office equipment, and furnishings which can easily be moved from the premises

Acquisition of real estate

New construction or rehabilitation-with the exception of speculative industrial or commercial building proposals which cannot provide evidence of significant tenant commitments.

Working capital, on a term loan basis

Management assistance or other technical assistance to enable the business to carry out the project

**Amount**

Maximum amount available is \$1,000,000. Further, loans from the Fund are limited to twenty-five percent (25%) of the project. Project cost must exceed \$100,000.

**Interest Rate**

The interest rate will be the US Treasury rate for bond sale plus an additional of up to one percent (1%).

**Term**

Term will be determined by the LDFC based on need; however no term can extend beyond 2014.

**NOTE:**

All Loan commitments are subject to the availability of funds

A pre-application is submitted to the City of Lowell for review to determine HUD National Objective prior to application to LDFC

**Contact**

Adam Baacke or Teresa Park  
Division of Planning & Development  
978-446-7200 X1401

## **INDUSTRIAL IMPROVEMENT LOANS FACT SHEET**

A low interest loan program for the acquisition, construction or renovation of commercial, industrial and office facilities containing at least 10,000 square feet.

### **Eligibility Criteria/Guidelines**

#### Amount

The maximum amount available is \$250,000. Further, industrial improvement loans are limited to twenty-five percent (25%) of the appraised value of the project upon completion or twenty-five percent (25%) of the actual cost of the project, whichever is less.

#### Interest Rate

The rate of interest is forty percent (40%) of the prime-lending rate as published in the Wall Street Journal rounded off to the next highest quarter of a percent with a minimum floor of six percent (6%).

#### Term

Generally, the term of the LDFC loan will be the same as the term of the first mortgage unless determined otherwise by the LDFC Executive Committee.

#### Minimum Project Cost

In order to be eligible, the cost of the project to the applicant must be \$200,000 or more after subtracting from the total the amount requested from the LDFC.

### **NOTE:**

All loan commitments are subject to the availability of funds.

Loans may be disbursed over a period of up to five (5) years.

A one percent (1%) commitment fee is due upon acceptance of terms and conditions.

All necessary permits must be obtained from appropriate departments within the City of Lowell.

### **Contact**

Jim Cook, Executive Director

Germaine Vigeant-Trudel, Assistant Director

Lowell Development and Financial Corporation

(978) 459-9899

## **NEIGHBORHOOD IMPROVEMENT LOANS FACT SHEET**

A low interest loan program for the acquisition, construction, restoration and/or renovation of Commercial property that may also have a residential component.

### **Eligibility Criteria/Guidelines**

#### Amount

The maximum amount available is \$50,000 or thirty percent (30%) of the appraised value of the project upon completion, whichever is less.

#### Interest Rate

The rate of interest is forty percent (40%) of the prime-lending rate as published in the Wall Street Journal rounded to the next highest quarter of one percent with a minimum floor of six percent (6%).

#### Term

Generally, the term of the LDFC loan will be the same as the term of the first mortgage unless determined otherwise by the LDFC Executive Committee.

### **NOTE:**

All loan commitments are subject to the availability of funds.

Loans may be disbursed over a period of up to five (5) years.

A one percent (1%) commitment fee is due upon acceptance of terms and conditions.

All necessary permits must be obtained from appropriate departments within the City of Lowell.

### **Contact**

Jim Cook, Executive Director

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(978) 459-9899

## **HOMEBUYER INCENTIVE PROGRAM (HIP) FACT SHEET**

Designed to increase home ownership, encourage home rehabilitation and improve neighborhood conditions, HIP provides a variety of attractive inducements for participating institutional employees to purchase and improve homes in any of five designated neighborhood districts.

### **Eligibility Criteria/Guidelines**

Eligible employees, as defined by respective institutions, of Lowell General Hospital, UMass Lowell, Middlesex Community College, Saints Memorial Medical Center, and Community Teamwork, Inc. who are first time Lowell homebuyers.

#### **Income Limits**

Up to \$125,000 household income.

### **Other Limits/Guidelines**

Program is limited to one and two family detached dwellings within defined geographical areas.

Condominiums and multi-family buildings are not eligible.

The home must become and remain the employee's principal residence for 5 years.

Participants need not be first time homebuyers, (but must be employees currently renting in Lowell or living outside the city) however, first time homebuyers are required to participate in the Merrimack Valley Housing Partnership's 1<sup>st</sup> time homebuyers seminar.

### **Program Features and Incentives**

#### **Down payment Loan**

A no interest, deferred loan for up to 2.5% of the purchase price or 1/2 of the required down payment, whichever is less. Maximum amount is \$5,000. Start of repayment is deferred for 3 years (loans are then payable in 20% yearly installments) or due in full upon refinancing, sale or termination of residency and conversion to rental unit.

#### **Closing Cost Grant**

A grant for \$500 towards closing costs.

#### **Rehab Grant**

A matching grant for approved exterior home improvements of a newly purchased home. Grant is for up to 50% (\$2,000 maximum). Improvements must comply with city building & housing code regulations as well as program standards and should be completed within 6 months. Payment is made upon satisfactory completion of work and submission of appropriate invoices and receipts. This component should be pursued after you have moved into your new home.

Note: All commitments are subject to availability of funds.

**Contact Telephone #:** 978-459-9899

Germaine Vigeant-Trudel, Assistant Director-LDFC

Melissa Surprenant-Administrative Assistant-Lowell Plan

## **DOWN PAYMENT ASSISTANCE PROGRAM FACT SHEET**

A no-interest loan for 2.5% of the purchase price (based upon a 5% down payment requirement) of a home by a first time homebuyer.

### **Eligibility Criteria/Guidelines**

Eligible Uses

Down payment assistance for first time homebuyers

### Amount

The maximum amount is \$5,000

### Loan Terms/Rate

Secured by a mortgage on the property. After 5 years, 20% of the loan amount is paid back each year to the LDFC. In the event of the sale, transfer or refinancing of the property prior to the fifth anniversary, 100% of the loan will be paid. In the event of the sale, transfer or refinancing of the property subsequent to the fifth anniversary, the remaining balance of the loan will be paid.

### Income Eligibility Criteria/Guidelines

Maximum annual household incomes

1-2 persons	\$88,400
3+ persons	\$101,600

### **NOTE:**

Applicants are required to attend Project Genesis training seminars for first time homebuyers through the Merrimack Valley Housing Partnership (MVHP).

Applications are submitted to the MVHP office by the lenders working with the buyers.

All commitments are subject to the availability of funds.

### **Contact**

Jim Wilde

Executive Director

Merrimack Valley Housing Partnership (MVHP)

PO Box 1042

Lowell, MA 01853

(978) 459-8490

## **DOWNTOWN VENTURE FUND PROGRAM GUIDELINES & FACT SHEET**

The Fund is set up specifically to assist those ventures that add value and diversity to the retail and restaurant climate of Downtown Lowell by making available low-cost financing. The initiative will create the critical mass needed to encourage others to open new ventures in Lowell; similar to what has occurred in recent years in Portsmouth, NH, Newburyport, MA and Portland, ME, among others.

### **Eligibility Criteria/Guidelines**

Any existing venture or new venture that proposes to add value to the retail and restaurant climate of Downtown Lowell and meets the following target characteristics will be considered for funding:

#### Targeted Retail and Restaurant Concepts:

Restaurants (not including fast-food, take-out type establishments);

Specialty food, shoe and apparel stores;

Art galleries;

Antique shops;

Coffeehouse offering entertainment

Specialty bed, bath and kitchen accessory shops;

Office supplies;

Luxury personal care service establishments;

#### Target Area

Funds will be focused to assist ventures seeking to locate, or are already located in the core of Downtown Lowell.

#### Uses

Funds can be used for design work, construction, equipment purchase, inventory, and working capital. Funds cannot be used to refinance existing debt or obligations;

#### Amount

The maximum amount is \$200,000

#### Loan Terms/Rate

Term will be based on size of loan; however, no payments are due in year one, interest at an annual rate of 6% is accrued and deferred to the second year;

### **NOTE:**

All commitments are subject to the availability of funds

### **Contact**

Adam Baacke or Theresa Park – Division of Planning & Development  
(978) 446-7200 X1401

Jim Cook, Executive Director-LDFC

Germaine Vigeant-Trudel, Assistant Director-LDFC  
(978) 459-9899

## **FORECLOSURE PREVENTION ASSISTANCE PROGRAM FACT SHEET**

This program was created to assist borrowers who have received housing mortgages from predatory lenders and encourage the use of local LDFC member banks to provide refinancing support where appropriate.

### **Eligibility Criteria/Guidelines**

Applicant must receive approval of mortgage from local member LDFC bank.

Must also attend a post-purchase program sponsored and/or approved by the Foreclosure Prevention Committee

Applicant must be referred to the LDFC by the Foreclosure Prevention Committee.

### Uses

Closing costs, pre-payment penalties, and equity.

### Income Eligibility Criteria/Guidelines

Maximum annual household incomes

1-2 persons                 \$82,400

3+ persons                 \$94,700

### Amount

Maximum amount available is \$10,000.

### Loan Terms/Interest Rate

Secured by a mortgage on the property with a maximum LTV of 105%.

Interest Rate: 5%

Term: Not to exceed 10 years

Amortization: Not to exceed a 10 year schedule

**NOTE:** All commitments are subject to availability of funds

### **Contact**

Jim Cook, Executive Director-LDFC

Germaine Vigeant-Trudel, Assistant Director-LDFC

(978) 459-9899

## LOWELL NATIONAL HISTORICAL PARK PRESERVATION LOAN PROGRAM FACT SHEET

**Eligible Properties:** Nationally-significant historic buildings on the Index of Historic Properties established by the Lowell Historic Preservation Commission.

**Eligible Activities:** Preservation, restoration and redevelopment activities including architectural and engineering services, exterior rehabilitation/restoration and/or interior rehabilitation/restoration. Exterior work must be a substantial portion of the project scope. Preservation Loan funding should represent no more than 50% of these rehabilitation costs.

**Loan Amount:** Maximum loan available is \$200,000 per building for historic rehabilitation work. The Preservation Loan amount must be at least matched by an equal amount of private funding for other qualifying historic or non-historic rehabilitation work.

**Interest Rate:** 3% fixed rate minimum in second mortgage position. Loans may be co-seconds with LDFC or other funding where justified.

**Loan Term:** Generally, the term of the Preservation Loan will be the same as the term of the first mortgage, unless determined otherwise by the LDFC Executive Committee. However, no term can extend beyond August 2018.

Ineligible Activities: Acquisition costs, legal and other non-design-related soft costs.

**Procedures:** The LDFC is administrator of the Preservation Loan Funds, but the application process begins with the Lowell National Historical Park (LNHP):

1. Applicants should contact Charles Parrott, Architect, Lowell National Historical Park, 222 Merrimack Street, 4<sup>th</sup> Floor, Lowell, MA. 01852 for a design application form. Phone: (978) 458-7653 x104, Fax (978) 458-9502, E-mail: [charles\\_parrott@nps.gov](mailto:charles_parrott@nps.gov)
2. Design applications should be completed and returned to Mr. Parrott.
3. A letter to the LDFC will be prepared for the signature of the Superintendent of Lowell National Historical Park, indicating that:
  - (a) the proposed project is for the historic rehabilitation of a property which is listed as a nationally-significant property on the index of properties established by the Lowell Historic Preservation Commission; and,
  - (b) the proposed project is, or appears to be, consistent with the goals of the LNHP's Preservation Plan approved by the U. S. Secretary of the Interior; and,
  - (c) the Superintendent has reviewed the design application and has determined that the prospective borrower is capable of performing the work proposed; and,

- (d) preliminary architectural plans have been provided in a form acceptable to the LNHP and are in compliance with the rules and regulations of the Lowell Historic Board and the Secretary of the Interior's Standards for Rehabilitation as determined by the LNHP with final acceptance subject to the submission and approval of construction drawings in a form acceptable to the LNHP and a determination that they are in compliance with the rules and regulations of the Lowell Historic Board and the Secretary of the Interior's Standards for Rehabilitation as determined by the LNHP.
4. Upon receipt by the LDFC of the above letter from the Superintendent of Lowell National Historical Park, the LDFC will:
    - a) process the loan application; and,
    - b) determine the creditworthiness of the proposal; and,
    - c) provide the borrower with a loan approval decision; and,
    - d) issue the loan, subject to a vote of the LDFC Executive Committee.
  5. NOTE: This is permanent financing, not construction financing. The rehabilitation work for which a loan is proposed must be completed by the borrower in accordance with the construction drawings and approved in writing by the Superintendent of Lowell National Historical Park prior to the issuance of the loan proceeds by the LDFC.

**Recorded Preservation Restriction:** Prior to payment by the LDFC, the property owner must record a Preservation Restriction on the financed property assuring that the design of the improvements will not be changed without NPS approval and will be maintained in perpetuity. Among other remedies, Preservation Loan Funds may be recovered by the LDFC in the event of breach of the restrictions.

**Assignment:** Loans may not be transferred, assigned or assumed. Upon sale or refinancing of the subject property, the Preservation Loan must be repaid in full to the LDFC.

August 21, 2003