

LOWELL PLAN II

Introduction

The Lowell Plan has obviously worked. Development in Lowell has achieved a selfsustaining dynamic. As a result, the City of Lowell is undergoing revitalization at a highly accelerated pace--perhaps faster than any comparably sized city in the country. Three areas in particular have been the focus of this revitalization:

1. The Downtown has attracted private investment in commercial, office space, hotel and housing development.
2. The City has continued to diversify and to expand its industrial base; thus stimulating significant gains in job creation.
3. Investments of public funds by the City, State and Federal governments continue to be made in developments that enhance opportunities for private investment in the City.

The Lowell Plan represented an effort to unify this development and to make it part of an overall community effort. While there are a number of successes, major private and public funding is still needed to support and to enhance the projects which are already underway. We need to continue present levels of intense commitment and to en-

courage the participation of reluctant downtown property owners and others in order to make the Lowell Plan the national prototype we have predicted.

The implications of major industrial, commercial revitalization are many, but perhaps the most important implication is that Lowell will continue to grow in population, and will become increasingly attractive as a place to live, as well as a place to work. Wang Labs, the University of Lowell, the development of the National Park, rapidly rising energy costs are all factors which will have secondary impacts. The most pressing impacts will be dramatic increases in the demand for housing.

The existing housing stock is inadequate to meet that demand. The 1978 CDBG application indicates that Lowell has a 2.17% vacancy rate for renters and a .95% vacancy rate for owners. A January, 1978 DCA study reveals that the Lowell area needs 6,423 units of low and moderate income housing: 3,441 elderly and 2,982 family. Thus, it is evident that a comprehensive housing strategy which involves the private sector is required if Lowell is to preserve and to produce an adequate supply of affordable housing.

HOUSING POLICY

The Lowell dynamic which is creating the demand for housing dictates two major housing policy strategies.

1. Continue ongoing efforts to preserve and to improve existing housing stock. Existing housing represents a precious resource which is integral to the quality of life and provides a broad range of affordable housing options for Lowell residents.
2. Develop new housing which is close to the downtown; land use intensive; energy efficient; served by mass transit; attractive to young professionals; affordable for various income groups; consistent with the historic theme of Lowell.

New housing construction on available vacant land must be pursued. Wherever possible, this new housing construction should consist of energy-efficient, brick town or row houses which fully utilize renewable energy technology and which complement the historic theme of Lowell.

Adaptive re-use of existing buildings as housing must be pursued. Lowell has had considerable success in using public funds to develop vacant and under-utilized buildings as housing. This effort should be continued with an emphasis on providing market rate rental and owner housing. Vacant and under-utilized structures such as mill buildings, boarding houses and commercial structures are otherwise structurally sound and lend themselves well to development of housing for young professional families.

This will maximize the potential of existing mill space, complement the restoration theme of Lowell, integrate market rate housing into the downtown area, provide easy access to mass transit, to stores, restaurants, other services, be consistent with energy efficient design, and offer the potential of re-using existing hydro facilities.

IMPLEMENTATION

Implementation of the Lowell Plan II housing policy can be undertaken in two phases. These can proceed simultaneously. Several elements of each phase are already underway or proposed.

Phase I - Market Analysis

A professional, in depth housing market analysis must be conducted to determine the demand for owner-occupied and rental housing; to identify purchase price ranges and rent levels which can be supported in Lowell; to identify appropriate locations for new construction and adaptive re-use; and to assess and to recommend interest rates and appropriate utilization of state and federal housing programs to assure the financial feasibility of housing development.

The America City Corporation will conduct the study which should be completed within a reasonable time period

to be determined by the City Manager.

Phase II - Private and Public Commitments

Obviously, Lowell is effected by current national economic trends such as volatile interest rates, fluctuating money supply and excessive inflation rates. These outside factors have had a cooling effect on the economy. Thus, a unique combination and commitment of private and public resources is required to meet the objectives of the Lowell Plan II. The following recommendations are intended to meet that end.

1. Establish a flexible interest rate revolving loan pool. This loan pool would be based on the Springfield model. The pool would be capitalized by funds from appropriate government sources including CDBG and potentially UDAG; from the Lowell banks equal to at least 1% of total assets; and from the major corporations in an amount to be based on an equitable formula and size definition.

The purpose of this pool is to provide interim or construction financing for housing development at rates and terms which are necessary to make the development economically feasible. As this interim financing is replaced by permanent financing, the payback would be re-used to finance other housing developments. Thus, the pool could be utilized over a period of years to

- finance several developments.
2. Establish a home mortgage set aside. The purpose of this set aside is to finance the purchase of newly developed units and the rehabilitation of existing housing stock through the utilization of appropriate state and federal programs including FHA and tax exempt Massachusetts Home Mortgage Finance Agency bonds as a means of providing more affordable financing to moderate income persons.
 3. Establish a labor sponsored technical assistance program through which organized building trades would provide information, expertise and supervision on housing rehabilitation in the neighborhoods .
 4. Establish within the building trades a Lowell Plan II housing rehabilitation, adaptive re-use and new construction wage rate equal to 90% of the prevailing wage.

This rate would only apply to those developments which require a reduced rate for financial feasibility.
 5. Continued ongoing efforts to identify and to secure local, State and federal funding to accomplish the following:
 - A. To enhance the financial feasibility of housing development (e.g. UDAG, mortgage insurance programs, tax exempt financing);

- B. To preserve the quality of housing and neighborhoods (e.g. CDBG, code enforcement, Section 312 loans, mortgage insurance);
- C. To provide decent, affordable housing to low income persons and elderly (e.g. LDFC/UDAG Home Mortgage program, Section 8 Existing-- moderate rehabilitation--new and substantial rehabilitation programs, public housing funds for scattered site housing rehabilitation).

CONCLUSION

The success of the initial Lowell Plan is a result of the commitment and optimism of every segment of the Lowell community. Lowell Plan II is another step in the process of responding to the City's needs. Together we can make it work.