

THE COMMONWEALTH OF MASSACHUSETTS
CITY OF LOWELL

In City Council

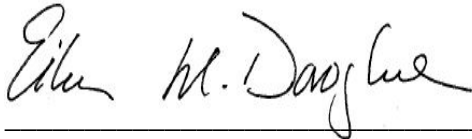
LOAN ORDER
(Open Space and Recreation Bonds)

To borrow \$1,500,000 for the purpose of financing the acquisition of interest in land for open space and recreation, including the payment of any costs incidental and related thereto.

IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF LOWELL BY A TWO-THIRDS VOTE OF ALL OF ITS MEMBERS, as follows:

Ordered: That the sum of \$1,500,000 is appropriated to pay costs of financing the acquisition of interest in land (known as Rollie's Farm) for open space and recreation purposes, including all costs incidental and related thereto; that to meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow \$1,500,000 and to issue bonds or notes therefor under G.L. c.44B or any other enabling authority; that the City Manager is authorized to contract for and expend any federal or state aid available for the projects; that the City Manager is authorized to take any action necessary or convenient to carry out the projects; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify any or all of the bonds under G.L. c.44A and to provide such information and execute such documents as such board may require for these purposes.

ORDER RECOMMENDED AND INTRODUCED BY:



Eileen M. Donoghue, City Manager



Christine McCall
Assistant City Manager/DPD Director

R. Eric Slagle
Director of Development Services

David Fuller
Building Commissioner

TO: Eileen Donoghue, City Manager *ED*
FROM: R. Eric Slagle, Director of Development Services
DATE: January 20, 2022
RE: Community Preservation Act Process and Information

This memorandum addresses the request from Councilor Nuon regarding the Community Preservation Act.

The Community Preservation Act (CPA) was signed into law in 2000 as a tool to assist communities in preserving open space and historic sites, creating affordable housing, and developing outdoor recreational facilities. To date, 175 of the Commonwealth's cities and towns have adopted the CPA with just over \$2.1 billion raised in funding statewide.

The CPA requires that communities spend, or set aside for future spending, a minimum of 10% of their annual CPA revenues for each of the three following categories: open space/recreation, historic preservation, and community housing. The remaining 70% of the funds are undesignated, and can be used for any allowable project in any of the CPA categories.

Funding for the CPA comes from two sources. The first is a surcharge on local property taxes of one (1), two (2), or three (3) percent. The second is from a state match from the Community Preservation Trust fund whose source of funds is surcharges on documents filed at the Registry of Deeds.

Lowell residents voted to adopt the CPA in November 2019, following a City Council vote to put the CPA on the ballot. Voters approved a surcharge on local property taxes to fund open space, outdoor recreation, historic preservation, and community housing projects.

Funding

The City of Lowell approved a 1% surcharge on local property taxes to fund the city's CPA. The city approved the following exemptions to the surcharge:

1. First \$100,000 of residential property value.
2. Full commercial property value.
3. Low-income, and low- or moderate-income senior homeowners.

The city also receives a state match from the Commonwealth's Community Preservation Fund. As of the last report to the City Council, the CPA fund has \$2,593,133 (which includes the state match).

Community Preservation Committee Responsibilities

Upon passage of the CPA in Lowell, a nine (9) member Community Preservation Committee (CPC) was created to administer the CPA. The CPC is tasked with studying the needs, possibilities, and resources of the City of Lowell in regards to community preservation. In conducting such studies the CPC will consult with municipal boards, commissions, authorities, the City Manager, the Mayor, and the City Council, as well as City agencies, and personnel. The CPC worked with City staff, along with significant public outreach, to create a Community Preservation Plan. The plan was presented to the City Council in July of 2021, where it received unanimous approval.

The CPC has completed a full application and review process for proposals for CPA funds and will be sending recommendations to the City Manager to be conveyed to the City Council for approval and appropriation.

All projects receiving CPA funds must receive **both**:

1. A favorable recommendation from the CPC, and,
2. Approval from the City Council.

The City Council may vote to approve less funding than recommended by the CPC, but may not fund a project that has not been approved by the CPC, or change the funding source for the approval.

On January 13, 2021, the CPC met and recommended for approval the following projects. The votes for each specific project will be coming before the City Council on the February 1, 2022 meeting.

The City Council will have the opportunity to fully discuss and vote on each project recommended by the CPC at the February 1, 2022 meeting.

OPEN SPACE

1. Whistler House Museum of Art, Park and Courtyard – Open Space/Recreation
 - a. Applicant: Whistler House Museum of Art
 - b. Funding Recommendation: \$100,000
 - c. Scope of work includes new landscaping and plantings, lighting, and the creation of activity space in the park.
2. Improve Clemente Park – Open Space/Recreation
 - a. Applicant: Clemente Park Committee
 - b. Funding Recommendation: \$110,000
 - c. The proposal will provide improvements to Clemente Park including upgrades to playground equipment, playground turf, benches, and the basketball court.
3. Protecting Lowell's Last Farm – Open Space/Recreation
 - a. Applicant: Lowell Parks and Conservation Trust/Mass Audubon/Mill City Grows
 - b. Funding Recommendation: \$1,500,000 (via 20 year bond paid by CPA surcharge)
 - c. The project includes preserving the farm and redeveloping it into an urban wildlife sanctuary, urban farmland, and education center.

COMMUNITY HOUSING

4. 555 Merrimack Street – Community Housing/Open Space
 - a. Applicant: Coalition for a Better Acre

- b. Funding Recommendation: \$220,000 (\$27,000 for Open Space, \$193,000 for Housing)
 - c. The project would create 27 units for individuals/families with substance abuse disorders; all units will be income restricted.
5. CTI: A Place to Live Lowell – Community Housing
- a. Applicant: Community Teamwork, Inc.
 - b. Funding Recommendation: \$72,800
 - c. The development would create 24-30 single-occupancy, affordable housing units at 21 W Adams Street.
6. Acre Crossing – Community Housing
- a. Applicant: Acre Crossing, LLC
 - b. Funding Recommendation: \$763,200
 - c. The full project includes the construction of a mixed use building which includes residential, commercial, and retail uses. The funds would be used to create 17 affordable homeownership units.
7. One+ Lowell – Community Housing
- a. Applicant: Merrimack Valley Housing Partnership
 - b. Funding Recommendation: \$500,000
 - c. The funding would create an affordable homeownership program based on the One+ Boston program.

HISTORIC PRESERVATION

8. 1827 Bell and Wheel Repair – Historic Preservation
- a. Applicant: First United Baptist Church
 - b. Funding Recommendation: \$12,000
 - c. The scope of work includes the replacement of the cracked wooden wheel and clapper, which allows the church bell to swing and ring.
9. Downtown Lowell Building Restoration Fund – Historic Preservation
- a. Applicant: Lowell Development and Financial Corp.
 - b. Funding Recommendation: \$500,000
 - c. Funding would be used to create a loan fund to be used for historic preservation projects in the Downtown Lowell Historic District.
12. City Hall Stained Glass Restoration – Historic Preservation
- a. Applicant: City of Lowell
 - b. Funding Recommendation: \$473,713 (via 20 year bond paid by CPA surcharge)
 - c. The project would restore the damaged stained glass within Lowell City Hall including pieces in the City Council Chamber.
13. 80 Gorham Street: Structural Façade Restoration – Historic Preservation
- a. Applicant: New Gorham, LLC
 - b. Funding Recommendation: \$178,100
 - c. The project would restore the damaged façade of the historic structure at 80 Gorham Street, and complete structural work.




Conor Baldwin
Chief Financial Officer

Allison Chambers
Deputy CFO

MEMORANDUM

TO: Eileen Donoghue, City Manager

FROM: Conor Baldwin, Chief Financial Officer 

CC: Christine McCall, Assistant City Manager/ DPD Director
R. Eric Slagle, Director of Development Services

DATE: February 9, 2022

RE: Loan Order for Rollie's Farm – CPA Funding

Enclosed with this memorandum is a loan order which has been prepared by the city's bond counsel to be placed on the agenda for consideration and approval by the City Council. The order, for \$1,500,000, will be used to finance the acquisition of interest in land (1413-1415 Varnum Ave., a.k.a. "Rollie's Farm") for open space and recreation, including the payment of any costs incidental and related thereto. On January 13, the Lowell Community Preservation voted to approve funding for this project by issuing debt, and recommended approval by the City Council.

Using bond proceeds to finance CPA-eligible projects is an available option to municipalities and an alternative to the standard appropriation process found with the Community Preservation Fund, which is treated as a special revenue fund for accounting purposes. Cities and towns may issue general obligation bonds or notes to fund community preservation acquisitions and projects subject to the applicable provisions of G.L. c. 44, which govern the issuance of municipal debt (G.L. c. 44B, § 11). Debt authorized under the CPA is limited to those purposes and maximum terms found in G.L. c. 44, §§ 7 and 8. For example, a community may borrow for up to 30 years to fund acquisitions of land for a community preservation purpose, such as open space, because borrowing for municipal land acquisition is allowed under G.L. c. 44, § 7(1) for up to 30 years.

Although debt issued under c. 44B is general obligation debt, the CPA limits the amount a community may borrow to an amount where the debt service can be paid (together with debt service on any previously authorized borrowings) from the annual community preservation revenues that the community reasonably expects to raise pursuant to G.L. c. 44B, § 3 (surcharge and additional funds pursuant to § 3(b½)) over the term of the borrowing.

Approval of the City Council by a two-thirds vote is required to authorize a borrowing. (G.L. c. 44B, § 11) and (G.L. c. 44, § 2). Please let me know if there are any questions.



Eileen M. Donoghue
City Manager

February 10, 2022

Mayor Sokhary Chau
And
Members of the Lowell City Council

Dear Mayor Chau and Members of the Lowell City Council,

I hereby submit for approval by the City Council a loan order in the amount of \$1,500,000 to finance the costs of the acquisition by the city of interest in a parcel of land in the Pawtucketville neighborhood at 1413-1415 Varnum Avenue (known as “Rollie’s Farm”) for open space and recreation purposes. The enclosed loan order is the funding mechanism for the CPA match for this project.

A full presentation on this particular repair project was forwarded to the Council on February 1st, and presented to a joint meeting of the Neighborhood and Finance subcommittee on February 9th. The debt service for this loan order will be paid, in full, by Community Preservation Act (“CPA”) surcharge revenues. The authorization to bond CPA funds is in Section 11 of the Community Preservation Act (MGL c. 44B), which states that CPA communities may issue general obligation bonds in anticipation of revenues to be raised through the local CPA surcharge. Lowell’s Community Preservation Committee (“CPC”) voted to approve this project at their meeting on January 13th.

A memorandum from the Chief Financial Officer is enclosed, which more fully describes the finances associated with the borrowing. A separate vote to approve the funding recommendation of the CPC is also included on the City Council agenda for approval. Enclosed with those votes are the full project applications.

Please let me know if there are any questions.

Sincerely,

Eileen M. Donoghue
City Manager

Cc: Conor Baldwin, Chief Financial Officer
Christine McCall, Asst. City Manager/ DPD Director
R. Eric Slagle, Director of Development Services