

City of Lowell
Department of Planning & Development/Economic Development Office
Small Business Expansion Program

1. What is the Small Business Expansion Program?

The Small Business Expansion Program is a forgivable loan available to eligible brick-and-mortar for-profit businesses who:

- want to start-up in Lowell
- are located elsewhere but want to establish a location in Lowell
- are already located in Lowell but want to expand within the city.

The program's goal is to assist businesses that want to increase their business operations in Lowell. Preference will be given to retailers, restaurant operators, and businesses that are filling ground-floor vacant commercial units, especially in Downtown Lowell.

Applicants are strongly encouraged to participate in one of the City's Small Business Technical Assistance programs. If you have received professional training or technical assistance through a City of Lowell-sponsored program or another service provider, please include that program information and dates in your Letter of Intent.

2. What is the funding source and what are the terms of the loan?

The program's funding is provided through the federal Department of Housing and Urban Development (HUD)'s Community Development Block Grant Program (CDBG). The total maximum amount available per eligible business is \$25,000. This is a forgivable loan, with no interest or monthly payments due. The total amount of a loan will be 100% forgivable if the business remains in Lowell for a minimum period of three (3) years **and** creates/retains at least one (1) full-time* low-to-moderate income permanent job per the HUD Community Development Block Grant (CDBG) income guidelines (see Exhibit A).

3. Who is eligible for the Small Business Expansion Program?

Applicants must meet one of the following HUD/CDBG requirements:

- Business is considered a microenterprise, which is defined as having less than five (5) full-time employees or full-time equivalents,* including the business owner. The business owner must also meet HUD income eligibility requirements (see Exhibit A).

OR

* Full-time job or full-time job equivalent: 40 hrs. work per week. E.g., two (2) part-time jobs at 20hr. each/ week X 2 = one (1) full-time job.

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- Business is committed to create or retain at least one (1) full-time permanent low-to-moderate income job per the HUD Community Development Block Grant (CDBG) income guidelines (see Exhibit A).
- Business has/will have a brick-and-mortar location in Lowell and represents one of the following categories:
 - Small-Scale Retail
 - Restaurants/Food businesses
 - Personal Care and Beauty Salons
 - Wellness and Fitness
 - Childcare (non-home-based)
 - Small Scale Manufacturing and Distribution
- Business is defined as expanding in one of the following ways:
 - Physically expanding the size of their location
 - Expanding through the addition of staff who meet HUD's low-to-moderate income criteria
- Business Owner is committed to participating in technical assistance in the areas of finance, marketing, restaurant or retail management, depending on the participant's needs. Technical Assistance will be provided by the Economic Development Office through its consulting experts or through another approved TA provider.

4. Who is not eligible for the Small Business Expansion Program?

- Ineligible businesses are those that do not meet one of the HUD/CDBG requirements as defined in section 3, or are in the following categories:
 - Franchisees
 - Large-Scale Retail
 - Home-Based businesses
 - Liquor Stores
 - Auto-use
 - Office uses such as real estate, insurance, tax preparation, staffing agencies, and check-cashing services.
 - Cannabis or tobacco retail, production, and or distribution
 - Any business use that is not legal under federal law
- Applicants who are not in good standing with the city, including being behind on tax payments or having building or health code violations.
- Applicants that owe state or federal taxes.
- Applicants who are not operating/or planning to operate a business in Lowell.

5. What type of requests are eligible under this program?

Examples of expenses supported by this program include, but are not limited to:

- Operating expenses such as rent, utilities, and payroll
- Website development and marketing (e.g., social media campaign development)
- Advertising

6. What type of requests are not eligible under this program?

The following items cannot be supported by this program:

- Pay for past due bills (rent, utilities, other business and personal debt)
- Construction-related projects
- Equipment purchases
- Pay for City/State permits, licenses, and/or fees
- Business owners' or family member payroll
- Improvements and purchases made prior to approval by the City and fully executed Loan Agreement
- Requests from businesses with month-to-month leases, leases for a less than 12-month period, or less than a year remaining on a longer-term lease.

7. What do I need to do to apply? What documents do I need to provide?

- Fill-out an application online at <https://lowellma.gov/741/Business-Assistance>.

Online applications are preferred. Paper applications are also available upon request at the Economic Development Office in the Department of Planning and Development and may be picked up during regular business hours.¹ Applicants may only submit one application online or hardcopy. Duplicate applications are not accepted.

- The following documents are required with your application:
 - Copy of your most recent tax returns for your business or personal taxes for start-ups
 - Copy of your fully signed and executed commercial lease agreement (leases must be a minimum of one year, and longer-term leases are preferred)
 - Letter of Intent to participate in the Small Business Expansion Loan Program (see Exhibit B for sample letter)
 - Completed Budget- see Exhibit C for sample budget
 - Proof of U.S. Citizenship- copy of US passport

¹ DPD business hours: Monday, Wednesday and Thursday: 8 a.m.-5 p.m.; Tuesday: 8 a.m.-8 p.m.; Friday: 8 am-12 pm (noon).

8. When can I apply?

Applications are being accepted on a rolling basis until program funds are depleted.

9. Who should I contact if I have any questions?

Please contact 978-674-1437 or email DoBizinLowell@lowellma.gov.

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Exhibit A
 HUD/CDBG Income Table
 FY25-26 Income

How to verify income eligibility:

- 1) Circle the number of persons living in your household (family and non-family members).
- 2) Circle the corresponding income level. Note: Income level does not need to be on the same row as number of people – it should reflect the accurate yearly income. (FY2025 Median Family Income - \$138,051)

Household Size	#1 (0% - 30%)	#2 (31% -50%)	#3 (51% - 80%)	#4* (81% and above)
1	\$0 - \$28,750	\$28,751 - \$47,950	\$47,951- \$ 73,200	\$73,201 +
2	\$0 - \$32,850	\$32,851-54,800	\$54,801 - \$ 83,650	\$83,651+
3	\$0 - \$36,690	\$36,951-\$61,690	\$61,691 - \$ 94,100	\$94,101 +
4	\$0 - \$41,050	\$41,051-\$68,450	\$68,451 - \$104,550	\$104,551 +
5	\$0 - \$44,350	\$44,351 - \$73,950	\$73,951 - \$112,950	\$112,951 +
6	\$0 - \$47,650	\$47,651-\$79,450	\$79,451 - \$121,300	\$121,301 +
7	\$0 - \$50,950	\$50,951 – 84,900	\$84,901 - \$129,650	\$129,651 +
8	\$0 - \$54,200	\$54,201 - \$90,400	\$90,401 - \$138,050	\$138,051+

* If your income range falls on column #4 (81% and above), you are not eligible under the “microenterprise” category. You are only eligible under “job creation”. Your employee(s) will need to fill-out this income eligibility form and will need to be income eligible (81% or below).

Exhibit B
Sample Letter of Intent

Date

City of Lowell Department of Planning and Development
Ali Carter, Director of Economic Development
JFK Civic Center
50 Arcand Drive, 2nd Fl
Lowell, MA 01852

Dear Mrs. Carter:

We are more than ecstatic to announce that Maria's Bagel Shop has signed a 5-year lease at 123 Lowell Circle, Unit A, Lowell, MA to occupy a space of over 2,500 sq. ft. This new space will allow our bakery to continue regular operations while expanding its products and production capacity to offer new menu items, including artisan bagels, gourmet coffee, and other baked goods.

We are requesting funds from the Small Business Expansion program to help us cover up to six (6) months of rent at our new location, 123 Lowell Circle. In addition, we would like to update our website and install a new POS system. Please find attached an estimated budget for our project. These funds are critical for our expansion and our success here in Lowell. This expansion will allow us to grow our sales and build further relationships with our customer base. In addition, the expansion will allow for the retention of at least one (1) moderate-income full-time employee.

Last year, I participated in the Marketing webinars hosted by your office and I'm looking forward to participating in future technical assistance programs in the areas of marketing, accounting and restaurant management. I find these extremely valuable to me!

We are so appreciative and grateful for all the support received by the City of Lowell Department of Planning and Development. We are excited to work with the city on this exciting expansion project!

Sincerely,

Maria D
Owner

Exhibit C
Sample Budget

Scope of Work	Total Cost	Total Private/ Other Funds	Total Small Business Expansion Loan Request
1. Rent (6 months)	\$20,000	\$0	\$20,000
2. Website update (including training on how to update it myself and 2-year domain maintenance fee)	\$6,300	\$1,300	\$5,000
Total	\$26,300	\$1,300	\$25,000