



A GUIDE TO DEVELOPING AFFORDABLE “LOCAL ACTION UNITS” IN BELMONT

Under Belmont’s Zoning Bylaw, most new residential developments require the inclusion of one or more formal affordable housing units. These formal affordable housing units are recognized as [Local Action Units \(LAUs\)](#) within the [Local Initiative Program \(LIP\)](#) by the Massachusetts’s [Executive Office of Housing and Livable Communities \(EOHLC\)](#) and are listed on the Town’s Subsidized Housing Inventory (SHI). This Guide provides a simplified overview to assist developers in meeting their responsibilities in Belmont.

WHAT IS THE SHI? The [Subsidized Housing Inventory \(SHI\)](#) is a formal list monitored by the State/EOHLC tracking the number of Affordable Housing rental and ownership units a municipality maintains. It is also used to track a municipality’s progress toward the goal to have at least 10% of its housing stock qualify as formal affordable units. This is mandated by [M.G.L. c. 40B](#).

To count LAUs on the SHI, the developer must prepare and [submit an application](#) to EOHLC. This application process has many steps; therefore, it is best to become familiar with it relatively early in the process. In Belmont, an LAU application requires the services of an independently contracted affordable housing consultant recognized by EOHLC (referred to as a “Monitoring Agent”) to help facilitate the overall process. Legal consultation may be helpful for certain aspects of the process.

WHAT IS A LOCAL ACTION UNIT? Local Action Units (LAUs) are affordable housing units created through action taken by a community, *without utilization of a comprehensive permit*, and are eligible to be included on the SHI. These units are created through special permits, inclusionary zoning, the MBTA Communities 3A Bylaw, or the provision of public funds (such as Community Preservation Act (CPA) Funds) or land by the local government. These SHI listed units are rented or sold to eligible households, those with an income at or below 80% of the Area Median Income (AMI), as determined by the [U.S. Department of Housing and Urban Development \(HUD\)](#) or as otherwise outlined in the development’s Regulatory Agreement.

WHAT IS A REGULATORY AGREEMENT? A [Regulatory Agreement](#) is a formal, binding legal document that outlines the terms and requirements of the affordable housing units in the proposed development from how many units must be provided, to who can rent or buy the units, the income qualifications, and additional details. This Agreement is required to be signed by all parties and recorded at the Middlesex Registry of Deeds prior to issuance of a Certificate of Occupancy, preferably prior to obtaining a Building Permit.

PROCESS FOR PERMITTING A DEVELOPMENT WITH LOCAL ACTION UNITS

When a development will include Local Action Units (LAUs), the project has additional steps that are required prior to construction.

- Developer schedules an informal Preliminary Review/Discussion of the overall project with Town Staff, Town Administrator, and/or Housing Trust and a meeting with the Development Review Committee subsequent to staff discussion
 - Outline the number of units and depth of affordability proposed

# of Bedrooms	# of Total Units	# of Affordable Units	Size of Unit (sqft)	Affordability %
studio	15	3	500	2 @ 80% AMI/1 @ 60% AMI
1 BR	22	1	650	2 @ 80% AMI
2 BR	5	2	850	1 @ 80% AMI/1 @ 60% AMI

- Any required Public Hearing processes occur with conditions on:
 - Narrative as described in the timeline including but not limited to unit count, affordability level, size of units, and any other conditions for obtaining the Certificate of Occupancy
 - The application shall also include the name and qualifications of the selected monitoring agent for the project in this narrative.
 - *Please note: The Draft LAU and Regulatory Agreement may be submitted prior to the Public Hearing process provided all parties are in agreement.*
- Draft Regulatory Agreement is outlined and terms are negotiated between the Developer and Town
- Developer (or their consultant) prepare Draft LAU Application to review with Town of Belmont
 - Includes LAU Application, draft Regulatory Agreement, Floorplans with affordable units identified, Unit Counts, Rental Rate Calculator, Local Preference justification, [Draft Deed Rider](#) (if ownership units), and an Affirmative Fair Housing Marketing Plan by a certified lottery agent
- Coordinate with EOHLIC for a preliminary review of the LAU Application (can take up to six months)
- Building Permit is issued
- Regulatory Agreement is executed by Town, Developer, and EOHLIC (no sales/leases can be executed until this is recorded at the Middlesex South Registry of Deeds)
- Affordable rents/sale prices are confirmed at least one (1) month prior to lottery being advertised and are based on current HUD AMI calculations for the Boston-Cambridge-Quincy Area
 - Units are by an Income Eligible Household that earns at or less than 80% of the local HUD Area Median Income (AMI) and meets EOHLIC's asset limits;
- Marketing Plan and Lottery are initiated at least three (3) months prior to estimated occupancy or as otherwise outlined in the Marketing Plan utilizing Town approved rents/sales prices
- Town supports advertising lottery as noted in the Marketing Plan
- Units are released for occupancy at an equal ratio per Sect 6.10.7 of Belmont Bylaws
- Final application materials are submitted to EOHLIC for inclusion on the SHI after the Certificate of Occupancy (CO) is received

ELIGIBILITY REQUIREMENTS FOR SHI INCLUSION OF LOCAL ACTION UNITS

In addition to being the result of an authorized local municipal action, LAUs are also required to meet a number of EOHLIC's housing guidelines. Chief among these, LAUs:

- Must meet EOHLIC's Design and Construction standards (highlighted in section VI.B.4 of the LIP Guidelines)
 - Noting in particular:
 - From the exterior, affordable units must be indistinguishable from market-rate units.
 - Units must contain complete living facilities including a stove, kitchen cabinets, plumbing fixtures, a refrigerator, microwaves, and access to laundry facilities.
 - Affordable units must be proportionately distributed throughout a Project, in terms of both location and unit size/type.
- Are subject to a long-term deed restriction to protect future affordability through an executed Regulatory Agreement; and
- Are subject to ongoing monitoring by the property owner to the Town and EOHLIC (or other Monitoring Agent) to ensure compliance with the affordability requirements.

Belmont's Planning Division Manager, Conor McCormack, is available to assist you as you develop your action plan for meeting the affordable housing requirements of your special permit or other land use approvals with the Town of Belmont. Please contact Conor McCormack at (617) 993-2651 or cmccormack@belmont-ma.gov for more information.

TIMELINE FOR LAU PROJECTS

STEP 1: PRIOR TO DESIGN AND SITE PLAN REVIEW (DSPR) PUBLIC HEARINGS

- Meet with Town Staff to discuss concept
- Conduct Preliminary Review with Development Review Committee
- Submit Application with the following information:
 - Narrative document describing the project and including the number of total units, the total number of affordable units by bedroom type, the type of affordability proposed, the method of dispersing the units in the project, and the intent to provide the remaining documents described in this guide and below.
 - The application shall also include the name and qualifications of the selected monitoring agent for the project in this narrative.

STEP 2: PUBLIC HEARING(S)

- Applicant should be prepared during this phase to discuss any disclosures in the narrative submitted with the application.

STEP 3: PRIOR TO FILING BUILDING PERMIT

- Provide draft Regulatory Agreement for review and approval by staff.
- Submit draft LAU Application to Town and EOHLC.

STEP 4: PRIOR TO FRAMING INSPECTION

- Regulatory Agreement is executed and final LAU Application is submitted to EOHLC.

STEP 5: THREE (3) MONTHS PRIOR TO ANTICIPATED CERTIFICATE OF OCCUPANCY (CO)

- Confirm affordable rents/sale prices with Town
- Marketing Plan and Lottery are initiated

STEP 6: PRIOR TO ISSUANCE OF ANY TEMPORARY OR FINAL CO

- Affordable Unit(s) lottery is complete

STEP 7: AFTER CO

- Submit SHI unit inclusion paperwork to EOHLC for approval and sign-off.