



TOWN OF MEDWAY
COMMONWEALTH OF MASSACHUSETTS
**COMMUNITY AND ECONOMIC
DEVELOPMENT**

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A GUIDE TO MEETING THE REQUIREMENTS OF DEVELOPING AFFORDABLE “LOCAL ACTION UNITS”¹ IN MEDWAY

A residential development permitted by the Medway Planning and Economic Development Board (PEDB) under the Medway Zoning Bylaw may require the construction of one or more affordable housing units. These affordable housing units must be recognized as Local Action Units (LAUs) by the Massachusetts Executive Office of Housing and Livable Communities (EOHLC). While those requirements are fully outlined in the Department’s publication, *Guidelines - GLC 40B Comprehensive Permit Guidelines*,² this Guide provides a simplified overview to assist developers in meeting their affordable housing responsibilities.

What is a Local Action Unit? “Local Action Units (LAU) are affordable housing units created as a result of the municipal action taken by a community, without a comprehensive permit, and which meet the requirements for inclusion on the Subsidized Housing Inventory (SHI).”³ Such municipal action may include special permits, inclusionary zoning, or the provision of public funds or land by the local government. Under Medway’s inclusionary zoning provisions (Section 8.6 Affordable Housing of the Medway Zoning Bylaw), the occupants of affordable housing units must meet EOHLC’s income and asset requirements for inclusion on the Town’s SHI. Eligible households are those with an income at or below 80% of the area median income, as determined by the U.S. Department of Housing and Urban Development (HUD). Typically, LAUs are slightly scaled-down versions of a project’s market rate housing units, and are marketed and sold or rented to moderate income households with limited assets and earnings.

What is the SHI? The Subsidized Housing Inventory (SHI) is the monitoring system used by EOHLC to track a municipality’s progress toward the achievement of 10% of its housing being affordable as mandated by M.G.L. c. 40B. It is a list of officially “affordable” housing units in a community and includes both rental and home ownership dwellings.

¹ **NOTA BENE:** This document is intended to provide a quick overview of Local Action Units and the procedures required to meet the conditions of certain development permits in the Town of Medway. In no instance is this outline to be construed as a substitute for or a determination by any governing body or as the advice of legal counsel or other professional opinion.

² SEE- <https://www.mass.gov/files/documents/2017/10/10/guidecomprehensivepermit.pdf>

³ Excerpt from Mass Housing Partnerships’, *Local Action Units Guidelines*, November 2018.

To count Local Action Units on a community's SHI, the developer must submit an application to EOHLC. That application process is complicated, and therefore it is best to become familiar with it relatively early in the permitting and development process. While several elements of the LAU application require the services of an independently contracted affordable housing consultant recognized by EOHLC, more extensive use of their consulting services is recommended to help facilitate the overall process. The availability of such consultants for smaller development projects is limited and we can assist in finding a specialist. Legal consultation is also recommended for certain aspects of the process.

❖ **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 EOHLC's housing guidelines. Chief among these, LAUs must:

- meet EOHLC's Design and Construction standards (attached as Addendum A below);
- be marketed through an Affirmative Fair Housing Marketing Plan (AFHMP) approved by EOHLC prior to implementation and apportioned by a lottery conducted by a recognized affordable housing lottery agent;
- be priced by EOHLC for sale or rental and occupied by an Income Eligible Household that earns at or less than 80% of the local Area Median Income⁴ and meets EOHLC's asset limits (AMI);
- subject to a long-term deed restriction to protect future affordability, and
- subject to ongoing monitoring by the Town and EOHLC for compliance with the affordability requirements.

EOHLC's review and implementation of these requisites takes form in its LAU application process.

❖ **ELEMENTS OF AN APPLICATION FOR EOHLC RECOGNITION OF LOCAL ACTION UNITS⁵**

It is the permit holder's responsibility to complete, submit and comply with the conditions of EOHLC's LAU application. Typically, special permits and other land use approvals issued by the Medway PEDB include specific deadlines by which the developer must submit their LAU application to EOHLC.

A completed LAU application form includes:

- Evidence of municipal support. Usually this entails attending meetings of the Medway Affordable Housing Trust and the Select Board (SB), and includes:
 - Project description and Community Support narrative
 - Municipal CEO signature (Chair of the Select Board)
 - Affordable Housing Trust Chair's signature

⁴ Calculated annually by the US Department of Housing and Urban Development.
<https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

⁵ EOHLC should be contacted early in the permitting process, well before submission of the LAU application.
Contact Rieko Hayashi, LAU Program Coordinator, 617-573-1426 rieko.hayashi@mass.gov

- Municipal and Developer contact information
- Clear and complete overview of the project, including site plan and a detailed description of the market-rate and affordable unit(s)
- Evidence of local municipal action. A copy of the special permit or other land use decision from the Planning and Economic Development Board.
- Regulatory Agreement (Long-term Use Restriction to be recorded at Norfolk Registry of Deeds)
 - Based on a standard template provided by EOHLC
 - Executed by EOHLC, the Town (SB), and the developer (permittee)
- As applicable:
 - For Condominium projects - Condo Master Deed with undivided interest in common areas etc.
 - For Rental units - Local Housing Authority's current Utility Allowance
- Evidence of developer's existence, good standing and authority to contract
- Affirmative Fair Housing Marketing Plan, containing:
 - Description of marketing plan and outreach efforts to protected populations
 - Sample advertising, informational and application materials
 - Eligibility requirements
 - Lottery and selection criteria
 - Request for local preference of affordable housing unit(s) (as applicable)
- Permittee's service agreement with an affordable housing Lottery Agent recognized by EOHLC

We are available to assist you as you develop your action plan for meeting the affordable housing requirements of your development permit with the Town of Medway. You may contact Community and Economic Development at CommDev2@medwayma.gov

D. Minimum Design and Construction Standards

In the absence of minimum design and construction standards established by the Subsidizing Agency for its housing subsidy programs, these Guidelines shall apply to the Project. Developers should refer to Section IV, Section A.3.b to understand the manner in which the Subsidizing Agency will review the design of the proposed Project.

Low or moderate income housing units in a project should not be readily identifiable as such. Such units should be blended into a Project, so that they are an integral part of the overall design and relate to market units on a substantially equal footing. In the event that the development is built in phases, each phase shall contain a proportionate number of affordable and market units. In the case of a Project with detached single-family units, as a general rule, the affordable units should have the same external appearance as various types of market units and should be reasonably interspersed through the project. Where units are clustered, the external appearances should have a uniform quality for both affordable and market units, and the affordable units should be reasonably interspersed with the market units.

Each low and moderate income unit shall contain complete living facilities, including at a minimum, a bathroom, living area, bedroom (excepting studio units), and dedicated space for cooking. The space for cooking shall, at a minimum, contain a stove, sink, kitchen cabinets and counters, and space for a refrigerator. Typically, in units with two or more bedrooms, there should be space and plumbing hookups for a washer and dryer unless common facilities are available in the development or nearby. All units shall meet all applicable requirements of the State Sanitary Code for occupancy by two persons per bedroom and of the State Building Code.

While the low and moderate income units need not be given the same interior finishes and amenities as the market rate units, the interiors shall be of good quality. Interiors shall be completely finished prior to occupancy. All low and moderate income units shall have two or more bedrooms provided; those units for the elderly and accessible units may be one-bedroom units. Studio units or one-bedroom units may be approved for good cause. It is recommended that at least fifty percent (50%) of the low and moderate income units be for families or large households and have three or more bedrooms.

Housing developed through the program must comply not only with the State Sanitary and Building Codes, but also with other state building and environmental regulations and (to the degree not exempted by a comprehensive permit) with all applicable local codes, ordinances, and bylaws.