

## Local Initiative Program

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EXECUTIVE OFFICE OF HOUSING &  
LIVABLE COMMUNITIES



# What is LIP?



A program that encourages locally-driven efforts to create affordable housing.



It falls under Chapter 40B and was created in response to opposition to 40B and the development of affordable housing projects.



LIP provides a mechanism to encourage locally supported affordable housing, where the municipality is engaged in the development of the project, prior to any application to EOHLC.



# Two Types of LIP Projects



**“Friendly 40B”:  
Projects permitted  
with a Comprehensive  
Permit (LIP 40B)**

Municipality must  
support – application  
signed by Chief Elected  
Official; other support,  
e.g., CPA funds



**“Local Action Units”  
(LAU)**

Municipal action  
required  
Municipality submits  
application

# Examples of LIP Projects



New construction

Building conversion

Substantial  
rehabilitation

Large and small  
rental projects

Homeownership –  
both single family  
and condo

First Time  
Homebuyer  
Buydown Programs

Non-profit  
sponsored projects



# LIP is Popular and Growing

Since its inception in the 1980's, approximately 40,000 units of housing have been approved, almost 8,000 of which are affordable.

In 2023, 4,370 units were approved under LIP.

Of those units, 4,076 were Local Action Units

Projects are developed across the Commonwealth.

# Why is LIP Appealing to Housing Partners?

Eligible units will count on the  
Subsidized Housing Inventory

Locally endorsed projects -  
community has a say in the early  
stages

Non-competitive process - fairly  
simple, since no state subsidy is  
allocated.

Comprehensive permit is a good  
vehicle for consolidating waivers,  
etc.



# Local Action Unit Application Process



## Key Requirements:



Application submitted by municipality



Evidence of Local Action




Affirmative Marketing Plan and Lottery



Regulatory Agreement





# Examples of Local Actions that are Eligible for LAU:

- Zoning-based approvals (e.g., special permit, or other discretionary zoning approval) “As of Right” approvals which is defined in state law as “development that may proceed under a zoning ordinance or by-law without the need for a special permit, variance, zoning amendment, waiver or other discretionary zoning approval.
- Conveyance of publicly owned land.
- Utilization of Community Preservation Act funds.

*The municipal action must be conditioned on the provision of affordable units.*



# Fair Housing Framework

- **Obligation to affirmatively further fair housing**
  - maximum opportunities for persons protected under fair housing laws through marketing, application process, and selection policies and procedures

# Marketing Plan Contents

A description of marketing and outreach

Sample ads/publications, social media

Application materials

Informational materials

Eligibility requirements

Lottery and resident selection procedures

If there is a local preference, include a clear description of the preference used

# The Subsidized Housing Inventory (SHI)

- **The SHI is a list of the number of subsidized units in each community and the percentage of all units**
- **Generally, units count if:**
  - Developed under an eligible state or federal subsidy program
  - Affordable to households at or below 80% of area median income
  - Have long term use restrictions
  - Are subject to an Affirmative Fair Housing Marketing and Resident Selection Plan



# What is Counted on the SHI?

- **Rental:** If at least 25% of the units are at 80% AMI or below, or at least 20% are at 50% AMI or below, and such units meet LIP criteria, then all units count. If there are fewer proposed units, only the affordable ones will count
- **Ownership** - only affordable units meeting LIP criteria count.



# Contact Information

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**Subsidized Housing Inventory**

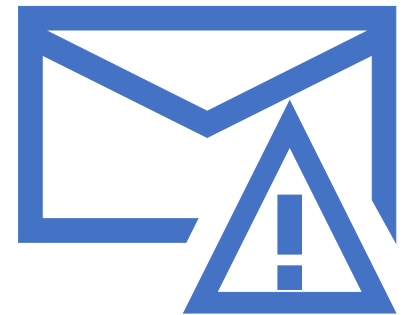
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# Resources

## **LIP Website-**

**<https://www.mass.gov/service-details/local-initiative-program>**

## **SHI Website-**

**<https://www.mass.gov/service-details/subsidized-housing-inventory-shi>**

