

Typical LAU Application Process

- Confirm Eligibility of Local Action:** The LAU projects must result from an eligible municipal action (Refer to Graphic about local actions). Projects can trigger LAU eligibility via special permit, inclusionary zoning, CPA funding, or similar.
- Pre-Application Coordination with EOHLC:** State guidance strongly encourages early contact with LIP staff to review eligibility and get feedback before formal site plan approval or building permit. LIP Approval of the Affirmative Fair Housing Marketing and Resident Selection Plan must also occur before marketing and resident selection.
- Compile and Submit the LAU Application:** In most cases, the developer or lottery agent will assemble the LIP LAU Application package on behalf of the municipality. The municipality reviews the application, provide their approval through the necessary signatures on the application. Typically, special permits and other land use approvals issued by a municipality include specific deadlines by which the developer must submit their LAU application to EOHLC. Municipal staff or housing consultants should review the Affordable fair housing marketing plan (AFHMP), attend lotteries and review the eligibility of initial occupants. The municipality must also approve the AFHMP if it will be carrying out any responsibilities in the plan.

A completed LAU application form includes:

- Documentation of municipal action (e.g., copy of special permit, CPA funds, land donation, etc.)
- Long-Term Use Restrictions (request documents before submission):
- For ownership projects, this is the LIP LAU Regulatory Agreement for Ownership Developments, redlined to reflect any proposed changes, and/or the LIP-required deed rider (survives foreclosure).
- For rental projects, this is the LIP LAU Regulatory Agreement for Rental Developments, redlined to reflect any proposed changes.
- For local HOME-funded projects, this is the HOME covenant/deed restriction. When attaching a HOME deed restriction to a unit, the universal deed rider cannot be used.
- Documents of Project Sponsor's (developer's) legal existence and authority to sign the Regulatory Agreement:
 - appropriate certificates of Organization/Registration and Good Standing from the Secretary of State's Office
 - mortgagee consents to the Regulatory Agreement
 - Trustee certificates or authorization for signer(s) to execute all documents
 - Copy of Site Plan.
- For Condominium Projects Only: The Master Deed with schedule of undivided interest in the common areas in percentages set forth in the condominium master deed
- For Rental Projects Only: A copy of the lease with lease addendum and Local Housing Authority's current Utility Allowances
- Affirmative Fair Marketing and Resident Selection Plan in accordance with EOHLC's AFMHP guidelines, including:
 - ads and flyers with HUD Equal Housing Opportunity logo

- b. informational materials for lottery applicants • eligibility requirements • lottery application and financial forms
 - c. lottery and ongoing resident selection procedures
 - d. request for local preference (if any) for the initial lottery and demonstration of need for the preference
 - e. measures to ensure affirmative fair marketing, including outreach methods and venue list
 - f. name of Lottery Agent with contact information
 - g. Owner/agent certification as to AFHMP responsibilities
4. **Developer applies for building permits:** For rental LAUs, building permits are needed along with the recorded LIP LAU regulatory agreement. The building permit must indicate the building identifier or address as well as the number of units, to correlate to the approved site plans. Affordable units do not need to be identified on building permits.
For ownership LAUs, the units are eligible only after the homes have been sold with the LIP LAU deed rider attached to the deed and recorded. Ideally, the permit or other land use approval issued by a municipality includes specific deadlines by which the developer must submit their LAU application to EOHLC.
Best practice is to submit the LIP LAU for municipal approval before the first building permit, and the recorded Regulatory Agreement before the first Certificate of Occupancy.
5. **Regulatory Agreements Preparation and Recording:** Developer prepares a redlined version of the LIP Regulatory Agreement which is submitted along with the LIP LAU application. Agreement typically clearly states the affordability levels, unit counts, term of restriction (Ideally in perpetuity), monitoring and enforcement details and timelines. When the LIP Application is approved by EOHLC, the Developer and Municipality will execute the final version of the Agreement. The developer will then send the executed agreement to EOHLC for signature. EOHLC will send the Agreement back to the developer for recording at the Registry of Deeds. The recording of the Regulatory Agreement places the affordable housing restriction on the property.
6. **Apply to include LAU to the SHI:** Affordable units must meet all SHI requirements, including participation in an eligible Subsidy program such as the Local Initiative Program (LIP), to be counted on the Subsidized Housing Inventory (SHI). Achieving certain project milestones, as outlined in c.40B/SHI guidelines, may make units eligible; however, eligibility can lapse if required timelines are not met, for example, if more than a year passes after zoning approval without building permits, or 18 months after building permits without occupancy permits. While Municipalities may include conditions in the permits to require affordable units through local action, they are not automatically approved as LIP units, or added to the SHI, without the undergoing the LIP process. For registering on the SHI, ownership units are eligible only after the homes have been sold with the LIP LAU deed rider attached to the deed and recorded. For rental, building permits are needed along with the recorded LIP LAU regulatory agreement. Link to EOHLC SHI [Form to request new units](#).
7. **Create a strategy for Ongoing Monitoring:** A community should designate a specific person or entity who will be in charge of ongoing monitoring. This includes rent increase approval coordination with developers, annual income verifications coordination with the developer or property manager, ensuring compliance with fair housing requirements in the event of resales, etc.