

M.G.L. CHAPTER 40B LIP & 40B APPLICATION PROCESS AND GENERAL INFORMATION

Chapter 40B or the Comprehensive Permit Law is a state law that was enacted in 1969 to facilitate construction of low-moderate income housing.

In order to be eligible to rent or purchase a restricted unit the household's income shall not exceed 80% of the AMI (Area Median Income-[see the link below](#)). Also, the household spends no more than 30% of their income on housing costs which includes mortgage, property tax, insurance, condo fee if any.

At least 10% of the units in comprehensive permit developments must have 3 or more bedrooms to protect the families with children from housing discrimination.

40B LIP (Local Initiative Program)

- EOHLC (Executive Office of Housing and livable Communities) issues a site eligibility letter for a project which is a prerequisite for a developer to apply for a comprehensive permit.LIP is a state(DHCD now known as Executive Office of Housing and livable Communities-EOHLC) program.
- Select board writes a letter of endorsement.
- Developer files a comprehensive permit with the ZBA.Public hearing must open within 30 days of the receipt of the permit application.
- Within 7 days of filing , ZBA should request comments from planning board, conservation commission, board of health, polic department, fire department, building department, Historic commission, water department.
- The ZBA must close the public hearing within 180 days from the opening unless applicant has agreed in writing to an extension.
- LIP projects are subjected to profit limitations. For homeownership projects, profit can not be more than 20% of the total development project. For rental and coperative housing projects, distribution of return is limited to max 10% equity per year.
- EOHLC provides technical support to both the town and the developer for LIP projects.
- For LIP projects the contractors don't have to go through Mass Housing funding so more flexibility in terms of financing.
- One advantage of doing a LIP project is it reduces the likelihood of an appeal.

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- Subsidizing agency will issue an eligibility letter after consulting select board - as part of it Planning board should be asked to weigh in on the project's relationship to the town master plan if the plan is current and actively being implemented. (page 13 of 40B handbook)
- ZBA may ask other boards for support letters but not required.
- Developer files a comprehensive permit with the ZBA. Public hearing must open within 30 days of the receipt of the permit application.
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- The ZBA must close the public hearing within 180 days from the opening unless applicant has agreed in writing to an extension.
- For homeownership projects, profit can not be more than 20% of the total development project. For rental and cooperative housing projects, distribution of return is limited to max 10% equity per year.
- Within 15 days of opening of the public hearing, ZBA must notify the applicant if ZBA believes it can deny the comprehensive permit because the community has met a statutory minimum or qualifies under another safe harbor provisions.
- 40B projects have to go through Mass Housing funding program. But assistance with financing for 40B is provided.

USEFUL LINKS:

- **Guidelines for G.L.C. 40B Comprehensive Permit Projects Subsidized Housing Inventory:** <https://www.mass.gov/doc/guidelines-gl-c40b-comprehensive-permit-projects-subsidized-housing-inventory/download>
- **Chapter 40B Handbook for Zoning Boards of Appeal:** <https://www.mass.gov/doc/chapter-40b-handbook-for-zoning-boards-of-appeal-march-2017/download>
- **MHP (Massachusetts Housing Partnership) Chapter 40B Handbook:** https://www.mhp.net/assets/resources/documents/40B-HandbookTraining_11-27-17.pdf
- **HUD (Department of Housing and Urban Development) Median Family Income: FY 2023 Income Limits Documentation System -- Summary for Sharon town, Massachusetts** (huduser.gov)
- **Census Quick facts about Sharon including Median Family Income:** <https://www.census.gov/quickfacts/fact/table/sharontownnorfolkcountymassachusetts/AFN120217>