

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Sal N. DiDomenico

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing an accessory dwelling unit trust fund.

PETITION OF:

NAME:

Sal N. DiDomenico

DISTRICT/ADDRESS:

Middlesex and Suffolk

SENATE No.

[Pin Slip]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act establishing an accessory dwelling unit trust fund.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 The General Laws are hereby amended by inserting after Chapter 121G the following
2 chapter: Chapter 121H Accessory Dwelling Unit Fund

3 Section 1. Definitions

4 "Accessory Dwelling Unit," as defined in MGL Chapter 40a Section 1a

5 "Eligible Participant," property owner who has an income of up to 110% of the area
6 median income, as defined by the United States Department of Housing and Urban Development

7 "Fund," the Accessory Dwelling Unit Fund established in section 2

8 Section 2. There shall be an Accessory Dwelling Unit Trust Fund to support low- and
9 moderate-income property owners whose incomes are not more than 110 per cent of median
10 income as determined by the federal Department of Housing and Urban Development build an
11 Accessory Dwelling Unit. The fund shall be administered by the Executive Office of Housing
12 and Livable Communities or through contracts with 1 or more of the following administering

13 agencies: (i) the Community Economic Development Assistance Corporation, established in
14 chapter 40H; (ii) the Massachusetts Housing Partnership Fund, established in section 35 of
15 chapter 405 of the acts of 1985; or (iii) the Massachusetts Housing Finance Agency, established
16 in chapter 708 of the acts of 1966; provided, that an administering agency may directly offer
17 financial assistance for the purposes pursuant to this section or may enter into subcontracts with
18 non-profit organizations established pursuant to chapter 180 for those purposes; and provided
19 further, that the administering agency may establish additional program requirements through
20 regulations or policy guidelines.

21 Section 3. There shall be credited to the fund: (i) revenue from appropriations or other
22 money authorized by the general court and specifically designated for the fund; (ii) any gifts,
23 grants, private contributions, repayment of loans, fees and charges imposed relative to the
24 making of loans, grants, subsidies, credit enhancements and other financial assistance; (iii) any
25 investment income earned on the fund's assets; and (iv) any other sources. Money remaining in
26 the fund at the end of a fiscal year shall not revert to the General Fund.

27 Section 4. Funds expended pursuant to this chapter may be in the form of grants, loans or
28 other financial assistance to eligible participants to build an accessory dwelling unit by providing
29 reimbursement or an initial outlay of funds to cover pre-development and non-recurring closing
30 costs associated with building an Accessory Dwelling Unit, which may include, but shall not be
31 limited to, architectural and design costs, site preparation, such as clearance or landscaping,
32 utility connection fees, impact fees, permitting fees, or other services and activities determined
33 by the administering agency to be a pre-development or non-recurring closing costs; provided,
34 however, that assistance shall be the minimum amount necessary to make a project feasible.

35 Funds expended pursuant to this chapter may finance low and no interest loans, grants,
36 subsidies, credit enhancements and other financial assistance as determined by the administering
37 agency for the purpose of supporting the construction and development of Accessory Dwelling
38 Units; provided, however, that assistance shall be the minimum amount necessary to make a
39 project feasible.

40 Section 5. The Executive Office of Housing and Livable Communities may promulgate
41 regulations for the implementation, administration and enforcement of this chapter and may, in
42 consultation with the Executive Office of Economic Development, issue guidelines for the fund.