

# **Municipal Affordable Housing Trust Fund - M.G.L. Chapter 44, Section 55c**

## **FAQ**

### **What is the purpose of a municipal affordable housing trust fund (MAHTF) organized under Massachusetts General Law Chapter 44, Section 55c?**

According to the statute, the purpose of the trust fund is “to provide for the creation and preservation of affordable housing in municipalities for the benefit of low- and moderate- income households and for the funding of community housing, as defined in and in accordance with the provisions of chapter 44B.” (Chapter 44B is the Community Preservation Act.)

### **Why is Nahant working toward the creation of a MAHTF?**

According to Census data, 45% of renters and more than 36% of homeowners are “cost burdened” in Nahant. This means they pay over 30% of their gross income on housing costs. About 40% of households in Nahant are eligible for affordable housing.

Establishing a MAHTF will further build the local tools to address the housing needs of Nahant residents such as creating smaller homes that seniors can “downsize” into and young people can afford to rent or own.

### **How are affordable housing trust funds established?**

A MAHTF is established by majority vote of the local legislative body. The municipality can either accept the statute as written or provide additional guidelines by writing a bylaw/ordinance. Nahant’s proposed bylaw mostly mirrors the state statute, but provides some limits to the Trustees’ powers.

### **How many local affordable housing trust funds are in Massachusetts?**

The Massachusetts Housing Partnership (MHP) has identified 152 MAHTFs in Massachusetts. Most of these were organized under M.G.L. Chapter 44, Section 55c. A handful were established prior to the 2005 passage of the MAHTF enabling legislation through petitions under the state’s Home Rule Act.

### **How is “low and moderate income” defined?**

The statute does not define “low and moderate income.” Communities should look to existing definitions in local, state and federal programs to define “low and moderate income” for the work of the MAHTF.

### **What is the composition of a municipal affordable housing trust fund board?**

The statute requires a minimum of five trustees, including the chief executive officer. In a town, this means that one Select Board member is to be appointed to the trust board. The statute allows communities to determine the remaining makeup of the trust board, including allowing additional members.

The draft bylaw for Nahant includes: one (1) member of the Selectboard, or its designee; one (1) member of the Community Preservation Committee or its designee; one (1) member of the Planning Board or its designee; one (1) member who is a designee of the Advisory and Finance Committee but not a member; and the Town of Nahant’s Town Administrator.

### **Will residents have input in the formation of the MAHTF and how the funds are spent?**

The trustees will establish operating procedures and determine how funds are allocated. Funds can be collected from a variety of sources such as the Community Preservation Act, which requires Town Meeting Vote. As a municipal board, MAHTF meetings are open to the public.