

Manchester Affordable Housing Trust FAQs

2/23/2026

What is an affordable housing trust?

An Affordable Housing Trust is a quasi-municipal entity, established under MGL Chapter 44 Section 55C, designed to create and preserve local affordable housing by managing dedicated funds separate from the general budget.

What is the benefit of a Trust?

It allows towns to act more quickly, without the traditional, slower municipal procurement for projects. It can be proactive and flexible in seeking projects and partners.

What is the Manchester Affordable Housing trust?

The Manchester Affordable Housing Trust was established by Town Meeting vote in 2016 with the mission to increase the diversity of housing options here to meet the needs of Manchester's low- and moderate-income households. It has a volunteer board of seven trustees who are Manchester residents. See Article 21 of the Manchester-By-The-Sea General By-Law.

What can the Manchester Affordable Housing Trust do?

Under the Town By-Law, the Trust can provide funding for new affordable developments and the rehabilitation of existing properties, provided:

“Any purchase, sale, lease, exchange, transfer, or conveyance of any interest in real property must be approved by five of the seven voting members.”

And “Trustees may incur debt, borrow money, grant mortgages, and pledge Trust assets only in an amount not to exceed 80% of the Trust's total assets.”

Can the Trust act as a developer and acquire and renovate property?

Due to the volunteer nature of the Trust and with its limited funds, development needs to be done with a partner. The Trust intends to partner with a qualified and experienced development company. The Trust would provide financial resources to make the property a financial success while maximizing the number of affordable units.

What has the Trust done?

The Trust has actively supported zoning changes to allow a greater variety of housing types and price points.

The Trust has issued “Notices of Funding Availability” (NOFA) offering financial assistance to property owners who convert housing units to Affordable units, offering reduced rents to income qualified tenants.

The Trust conducted a feasibility study of the properties owned and managed by the Manchester Housing Authority(MHA) for their expansion and modernization. With the MHA, the Trust issued a “Request for Proposals” to qualified developers to undertake a comprehensive revitalization of these properties. Although no responses were received, the Trust selected a qualified developer to assist the MHA and the Trust to try to craft a more attractive development plan. This has yet to bear fruit. The Trust arranged for property surveys of the two larger MHA properties to assess development potential and risks.

During the Covid-19 pandemic, the Trust was able (by special dispensation) to provide financial assistance to residents who were struggling to pay their housing costs. The Trust partnered with Action Inc. of Gloucester to manage this assistance.

The Trust has actively identified potential development sites which could benefit from financial assistance, negotiating with private property owners when possible. Market forces have prevailed thus far, and sites are still being pursued.

What is the difference between a Trust and a Housing Authority?

A Housing Authority (like the Manchester Housing Authority) primarily manages its own State- or Federally-supported, public housing portfolio. In Manchester, there are a total of 84 units at The Plains, Newport Park Road, and Loading Place Road. The Manchester Affordable Housing Trust has more flexibility, enabling it to focus on developing new, diverse affordable units, without owning or managing these units.

How does the Trust operate?

Seven trustees are appointed by the Select Board and the Town Moderator, representing the Select Board, Planning Board, Community Preservation Committee, Manchester Housing Authority, and Finance Committee, with an additional two, at-large members. The meetings are subject to public open meeting laws. Funds are deposited in interest-bearing accounts with a local bank.

How is the Trust funded?

Funding sources have included Community Preservation Act (CPA) funds and donations from individuals. The Trust may also receive real property as a donation. The Trust has a current fund balance of \$1.7 Million, primarily invested in Certificates of Deposit earning interest.

How is affordability defined?

Affordable housing is defined as housing that a person/household who is at, or below, 80% of the Area Median Income (AMI), can afford to pay for, using no more than 1/3 of their income. Per the US Department of Housing and Urban Development (HUD) in June 2025, this is \$92,650 for one person in the Boston area, and \$119,100 for a three-person household.

Why is affordable housing important for Manchester?

- It enables essential workers to live near their jobs, supports job retention, and prevents worker shortages.
- Our teachers, public safety, and other municipal workers can struggle to afford to live in the community where they work.
- Construction of housing creates local, well-paying jobs.
- New development generates tax revenue.
- Seniors can stay in the community while downsizing.
- Young families can stay close to and assist aging parents, while enjoying the benefits of the excellent schools.

What are some of the obstacles to creating Affordable Housing?

- Competition with private parties
- Neighborhood concern about density and new residents
- High cost of property and construction
- Large subsidies needed to bring the cost of rent or ownership to appropriate levels
- Complex permitting processes
- Complicated marketing and qualification procedures

What is the Mass Subsidized Housing Inventory (SHI) and why is it important?

The Subsidized Housing Inventory is a component of MGL Chapter 40B. The SHI is a compilation of all Affordable Housing units in the State, listed by municipality. These housing units: can only be occupied by households with certain incomes; have strict rent limits; and must be leased through a formal tenant-selection process. The State requires that 10% of the total supply of housing units in a city or town should be Affordable.

C. 40B expedites the permitting process for the development of Affordable Housing projects. It allows local Zoning Boards of Appeal to override local ply of Affordable Housing (under 10%), the denial of a compressive permit by a ZBA can be appealed by developers to the State.

Manchester needs 100 new affordable units to be added to the SHI to meet the 10% goal.