Planning with ADU Options

Date: Thursday, September 24, 2026, Meeting Format: Zoom

The meeting covered Massachusetts ADU rules, low-cost feasibility and construction financing, accessibility-related loan programs, and DDS/MassHealth support options for families assisting adults with disabilities.

ADU Rules and Feasibility:

Meredith Baraka of the Massachusetts Housing Partnership explained that the 2024 Affordable Homes Act allows ADUs on single-family lots throughout Massachusetts. ADUs must be self-contained with a kitchen, bathroom, sleeping area, and separate entrance. Detached, attached, internal-conversion, and existing outbuilding conversions are permitted. An ADU may generally be up to 900 square feet or one-half the primary home's area. There is no statewide owner-occupancy or family-occupancy requirement, although local short-term-rental restrictions may apply. No additional parking is required when the property is within one-half mile of public transportation. MHP recommends beginning with a property-specific feasibility study before incurring design, contractor, or financing costs. The study may address permitted configurations, construction and pre-construction costs, utilities, septic, property limitations, and next steps. MHP maintains a statewide provider directory, including accessibility-focused and multilingual providers. The homeowner's out-of-pocket feasibility cost is capped at $500, and some providers offer the study at no cost.

MassHousing Financing:

Deanna Ramston described MassHousing's ADU Loan Program for homeowners who own and occupy a single-family home as their primary residence and meet household-income limits of up to 135% of area median income. The program combines a fixed-rate, amortizing loan with a 20-year term and a 0% deferred MassHousing loan. The deferred portion generally requires no monthly payment and becomes due when the amortizing loan is paid off.

- Detached ADU: up to $250,000 total, consisting of up to $150,000 amortized and $100,000 deferred.
- Attached ADU: up to $150,000 total, consisting of up to $100,000 amortized and $50,000 deferred.

Up to 50% of projected ADU rental income may be used for qualification. Closing costs may be included, and a 10% contingency is required. Applicants must be dig-ready with completed plans, permits, specifications, contractor bids, and other documentation; construction cannot begin before closing, and previously started work is ineligible. Projects are generally allowed six months, subject to possible extension. Funds are limited to the ADU project. Applicants apply through participating lenders, which underwrite and close the loan before selling it to MassHousing for servicing; no prepayment penalty was reported.

Home Modification Loan Program:

Julie Lane of NeighborWorks explained that the state-funded Home Modification Loan Program may provide up to $50,000 for qualifying homeowners, or up to $30,000 for manufactured or mobile homeowners, through a 0% deferred loan with no required monthly payments. The program is intended for an ADU benefiting a family member with a disability, an aging family member, or a caregiver; it is not intended for investment-property construction.

Eligibility includes household income up to 200% of area median income, assets of no more than $175,000 for the head of household, and a documented need supported by a one-page professional form from a physician, occupational therapist, physical therapist, or similar professional. Retirement accounts, 401(k)s, college savings, and the subject property were described as excluded from the asset calculation in specified circumstances. Repayment may be triggered by a sale, title change, the end of the beneficiary's occupancy, or other events described in the loan documents. NeighborWorks may take a third- or fourth-lien position and reported typical processing of approximately four to six weeks once the application is complete. Construction monitoring and final permitting sign-off are required, with approximately 10% retained until completion. A homeowner-contractor may perform the work, but funding generally covers materials rather than the owner's labor and remains subject to case-by-case review.

Disability Supports:

Laura Gallant of the Department of Developmental Services discussed ADUs as a potential bridge between family support and independent living for adults with disabilities. DDS services are not an entitlement and depend on eligibility, assessed need, prioritization, and available resources. Potential supports include independent living services for household-management and skill-building assistance, shared living arrangements, assistive technology, and remote monitoring. MassHealth personal-care and homemaking services may complement DDS services in appropriate circumstances, but residential programs generally cannot simply be stacked without review.

South Shore Support Services described assistive-technology evaluations, generally with funding up to $3,000 subject to need, and remote supports such as medication reminders, call-center assistance, sensors, fall or seizure alerts, and water or safety monitoring. Families were encouraged to begin with the individual's DDS service coordinator and to coordinate with MassHealth and other relevant agencies. A panel example involved a 900-square-foot ADU built for a nonverbal autistic adult; the family reported a three-month construction period, accessibility-focused design, and significant peace of mind from maintaining family proximity.

Tax and Risk Considerations:

The panel noted that adding an ADU can increase property taxes because the municipality may assess the overall property, including both residences. Questions about future ownership, caregiver arrangements, inheritance, special-needs trusts, beneficiary occupancy, and potential loan repayment were not resolved during the meeting and should be reviewed with qualified legal, tax, benefits, and DDS professionals before construction. The discussion also recognized that

ADUs may create privacy and independence but do not automatically solve community or social-isolation concerns.

Action Items:

- Post the recording, slideshow, and referenced ADU financing and support links on the South Shore Support Services website, as announced during the meeting.
- Review the MHP ADU resources and provider directory, then obtain a property-specific feasibility study before committing to design, construction, or financing expenses.
- If the project appears feasible, assemble completed plans, permits, specifications, contractor bids, and contingency information before contacting a participating MassHousing lender; do not begin construction before loan closing.
- For a disability-related ADU, contact the individual's DDS service coordinator and evaluate eligibility for HMLP, DDS independent living supports, assistive technology, remote supports, MassHealth services, or shared living.
- Review ownership, beneficiary occupancy, special-needs-trust, property-tax, and loan-repayment consequences with appropriate legal, tax, and benefits professionals.

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Financial Data	Category	Data from Meeting
State ADU eligibility	Other	2024 law allows ADUs on single-family lots throughout Massachusetts
ADU size limit	Other	Generally up to 900 square feet or one-half of the primary home's area
Feasibility study cost	Other	Homeowner out-of-pocket cost capped at $500; some providers charge $0
Detached MassHousing financing	Other	Up to $250,000: $150,000 amortized plus $100,000 deferred
Attached MassHousing financing	Other	Up to $150,000: $100,000 amortized plus $50,000 deferred
MassHousing loan terms	Other	Fixed-rate amortized loan with 20-year term plus 0% deferred portion; up to 50% projected ADU rent may qualify

MassHousing eligibility	Real Estate Holdings	Must own and occupy a single-family home as the primary residence; income limit is 135% AMI
MassHousing construction requirements	Other	Dig-ready before application; 10% contingency; construction generally limited to six months; work cannot start before closing
HMLP financing	Other	Up to $50,000 for qualifying homeowners or $30,000 for manufactured/mobile homeowners; 0% deferred loan with no required monthly payments and a 50-year term
HMLP eligibility	Other	Documented disability, aging, or caregiver need; income up to 200% AMI; head-of-household assets limited to $175,000
Assistive-technology support	Other	South Shore Support Services described funding generally up to $3,000, subject to need and eligibility