Revere Affordable Homeownership Buydown Program

The Revere Homeownership Buydown Program (RAHBP) is a direct purchase price subsidy program administered by the City of Revere Department of Planning and Community Development (DPCD) and the Affordable Housing Trust Fund Board (AHTF).

The program works to bridge the gap between market-rate home prices in Revere and what moderate income first-time homebuying households can afford, with the goal of expanding homeownership access for existing Revere residents. This builds off the success of the downpayment assistance program, but takes the assistance further.

For many families of moderate means in Revere, $10,000 in downpayment assistance is not enough to bridge the gap between what they can afford and the sale price. They are often forced to look outside of the city for options they can afford. Separately, they may also not be eligible for or have access to affordable housing lotteries or subsidized units, and these units may not meet their needs, or the needs of a growing family.

The RAHBP is designed to address this gap. It is structured as a three-track program, with distinct subsidy levels, income limits, and eligible funding sources corresponding to each track. All tracks share the same deed restriction structure, workflow, and legal requirements.

Program Objectives

- Expand homeownership opportunities for income-eligible, long-term Revere renters, parents or workers at risk of displacement
- Preserve and grow economic diversity in Revere
- Create a revolving, self-reinforcing funding mechanism through shared equity recapture
- Potentially encourage multi-family homeownership (2-3 family) that produces both an owner-occupied unit and deed-restricted affordable rental units

Program Authority

The RAHBP is authorized under the City of Revere's Affordable Housing Trust Fund (AHTF). CDBG-funded components are authorized under 24 CFR §570.201(n) (Direct Homeownership Assistance) and must comply with all applicable HUD requirements.

Section 2: Three-Track Program Structure

The RAHBP operates three income-based tracks. Eligibility is determined by household income as a percentage of Area Median Income (AMI) for the Boston-Cambridge-Quincy HUD Metropolitan Statistical Area.

	Track A (Low Income/CDBG)	Track B (Moderate)	Track C (Middle)
Income Limit	≤80% AMI	81–100% AMI	101–120% AMI
Max Subsidy	$200,000	$150,000	$75,000
Primary Funding	CDBG + AHTF	AHTF only	AHTF only
4-Person Income	≤$137,100	≤$171,400	≤$205,680
Purchase Price*	~$204K–$369K	~$273K–$478K	~$340K–$580K

	Track A (Low Income/CDBG)	Track B (Moderate)	Track C (Middle)
Deed Restriction	20 years	20 years	20 years

**Varies by unit type and bedroom count. Based on FY2026 Boston metro area limits, effective 6/1/2026. See sales price tables below.*

2026 Income Limits by Household Size

Based on HUD FY2026 income limits for the Boston-Cambridge-Quincy MSA, effective 6/1/2026.

HH Size	80% AMI (Track A)	100% AMI (Track B)	120% AMI (Track C)
1 person	$96,000	$120,000	$144,000
2 persons	$109,700	$137,150	$164,550
3 persons	$123,400	$154,300	$185,100
4 persons	$137,100	$171,400	$205,650
5 persons	$148,100	$185,150	$222,150
6 persons	$159,050	$198,850	$238,600

2026 Maximum Affordable Sales Prices by Bedroom Count

Based on the City of Boston / MOH 2026 Inclusionary Housing schedule, effective 7/1/2026.

Bedrooms	80% AMI	100% AMI	120% AMI
Studio	$203,500	$272,959	$339,543
1-BR	$250,688	$328,236	$401,901
2-BR	$294,900	$382,256	$461,631
3-BR	$328,400	$431,708	$521,020
4-BR	$368,643	$477,600	$580,409

2026 Maximum Sales Prices by Property Type

From MOH Purchase Price Limits, effective 7/1/2026.

Property Type	80% AMI	100% AMI
Single-Family	$341,880	$438,746
Duplex	$328,795	$427,350
Two-Family	$455,000	$541,310

Sales prices may be required to be adjusted depending on the condominium fee proposed.

Track Determination

A household's applicable track is determined at the time of eligibility certification by DPCD, based on verified household income and HUD income limits in effect at the time of application. Track determination is binding through closing and cannot be changed after issuance of an Eligibility Certificate.

- Households at or below 80% AMI are eligible for Track A and may receive the maximum subsidy of $200,000.

- Households above 80% AMI but at or below 100% AMI are eligible for Track B and may receive a maximum subsidy of $150,000.
- Households above 100% AMI but at or below 120% AMI are eligible for Track C and may receive a maximum subsidy of $75,000.
- Households above 120% AMI are not eligible for the RAHBP.
- The maximum subsidy for any eligible homebuyer is limited to the gap between the HUD-designated affordable price and the sale price of the unit, as certified by DPCD. The numbers listed above are the hard limit regardless of sale price.

If program funds allow, DPCD may accept Track A households into Track B funding if CDBG funds are exhausted and AHTF funds remain available at Track A income levels.

Section 3: Funding Sources and Annual Budget

The RAHBP is funded through a combination of federal Community Development Block Grant (CDBG) funds and City of Revere Affordable Housing Trust Fund (AHTF) resources.

Source	Amount	Eligible Tracks	Income Limit
CDBG	$100,000	Track A only	≤80% AMI
AHTF	$350,000	Tracks A, B, C	≤120% AMI
TOTAL	$450,000	All Tracks	≤120% AMI

CDBG Funding Requirements (Track A Only)

- Income eligibility: Household must be at or below 80% AMI (HUD national objective requirement)
- Lead-based paint: All properties assisted with CDBG funds are subject to HUD lead-based paint regulations at 24 CFR Part 35
- Housing quality: Properties must meet HUD Housing Quality Standards (HQS) prior to closing

AHTF Funding Requirements (All Tracks)

- All AHTF-funded assistance must serve households at or below 120% AMI
- AHTF funds used for Track A households may be layered with CDBG funds (combined subsidy may not exceed $200,000 per unit)
- Recaptured equity from resale under program guidelines returns to the AHTF as program income, creating a revolving fund mechanism
- DPCD must maintain a separate accounting of AHTF expenditures by track for annual reporting to the AHTF Advisory Committee

Per-Unit and Annual Funding Limits

Parameter	Limit
Max subsidy — Track A	$200,000
Max subsidy — Track B	$150,000
Max subsidy — Track C	$75,000

If CDBG funds are not fully expended in a program year, unexpended CDBG funds roll forward and may be used in a subsequent program year, subject to HUD expenditure timelines. AHTF funds that are not committed by the end of the program year may be reallocated by the AHTF Board.

Section 4: Applicant Eligibility Requirements

All applicants must satisfy the following requirements regardless of track.

Requirement	Standard
First-time homebuyer	Applicant (and co-applicant, if any) must not have owned a home in the past three years. Exceptions apply for displaced homemakers per HUD definition.
Residency	Applicant must have maintained continuous primary residency in Revere for at least 2 years immediately preceding application, OR have students in Revere Public Schools, OR work 30+ hours per week for a Revere-based employer. Proof required. They must also either be US citizens or legal permanent residents.
Household income	Gross annual household income (all members 18+) must not exceed the applicable AMI limit for household size. Verified by DPCD per HUD methodology.
Homebuyer education	8-hour HUD-approved course from a certified housing counseling agency. Certificate must be less than 12 months old at closing.
First mortgage pre-approval	Written pre-approval for a fixed-rate, fully amortizing first mortgage from a participating lender. Adjustable-rate and interest-only mortgages are not eligible.
Minimum down payment	3% of purchase price from own funds or approved non-RAHBP DPA programs. Households may NOT receive both the RAHBP and the Revere First Time Homebuyer DPA Program.
Principal occupancy	Occupy the property as primary residence within 60 days of closing; maintain occupancy for the duration of the deed restriction.

Section 5: Property Eligibility Requirements

Requirement	Standard
Property types	Single-family home; condominium; 2-family; 3-family.
Location	Property must be located within the City of Revere.
Occupancy	Primary residence. For 2- and 3-family, applicant must occupy one unit; other units rented at affordable rates to households at or below 80% AMI.
Title	Clear, insurable title. Unresolved defects, active liens, or incompatible encumbrances must be resolved.
Condition	Must pass independent home inspection satisfactory to DPCD. Properties with >$30,000 in immediate repairs not eligible unless applicant demonstrates resources to complete within 90 days.
Lead paint (Track A)	CDBG-funded pre-1978 buildings: lead-based paint inspection and abatement required prior to closing. Cost may not be included in RAHBP subsidy.
Flood zone	FEMA SFHA (Zone AE or VE) eligible but require flood insurance.
2-3 Family covenant	Non-owner units subject to Affordable Rental Covenant at ≤80% AMI rents, consistent with HUD FMR. Annual rent/tenant income certification required.

Section 6: Deed Restriction and Equity Sharing Structure

All RAHBP-assisted properties are subject to a 20-year Affordable Homeownership Deed Restriction recorded at the Suffolk County Registry of Deeds at closing.

Phase 1: Years 1–10 — Price-Restricted Resale

- Resale price cap: Original purchase price + AMI growth rate/year + approved capital improvements (depreciated).
- Buyer eligibility: Income-eligible first-time homebuyer at or below the seller's original track AMI limit.
- Right of First Refusal (ROFR): City of Revere holds 30-day ROFR at restricted price. May assign to a qualified non-profit.
- Marketing: City-approved Affirmative Fair Housing Marketing Plan (AFHMP).
- Subordinate loan: Repaid in full from sale proceeds. Repayment goes to AHTF.

Phase 2: Years 11–20 — Equity Sharing

- Resale price: Market rate. No income qualification for buyer.
- Equity sharing: 50% of net appreciation to City of Revere AHTF. Owner retains 50%.
- Net appreciation: Sale Price − Original Purchase Price − Approved Capital Improvements (depreciated). DPCD must pre-approve improvements.
- ROFR: City retains 30-day ROFR at market price.
- Subordinate loan: Repaid in full from sale proceeds.
- Restriction expiration: All deed restrictions expire at Year 20. Property converts to fully market-rate.

Equity Share Example — Illustrative

Scenario	Values
Original purchase price	$380,000
RAHBP subsidy (Track B)	$150,000
Capital improvements	$25,000
Year of sale	Year 14 (Phase 2)
Market sale price	$580,000
Net appreciation	$175,000
Owner retains (50%)	$87,500
AHTF receives (50%)	$87,500
RAHBP loan repaid	$150,000 to AHTF

Deed Restriction Instruments

1. Subordinate Loan Agreement
2. Promissory Note (0% interest, no monthly payments, due on sale/refinance/transfer/end of term)

3. Affordable Homeownership Deed Restriction / Affordability Covenant (20-year term)
4. Subordinate Mortgage (securing repayment of RAHBP loan)
5. Right of First Refusal Agreement
6. Monitoring Agreement
7. Affordable Rental Covenant (2- and 3-family properties only)

All instruments are recorded simultaneously with the first mortgage at closing. The RAHBP subordinate mortgage is recorded in second lien position. No junior financing is permitted except as approved in writing by DPCD.

Section 7: Application and Closing Workflow

Step 1 — Pre-Application

- Complete a HUD-approved homebuyer education course and obtain a certificate
- Obtain a written first mortgage pre-approval from a participating lender
- Submit a application to DPCD with: name, household size, income, track interest, and pre-approval letter

Step 2 — Eligibility Review and Certification

- DPCD verifies household income using HUD methodology
- Confirm Revere residency
- Confirm first-time homebuyer status
- Determine applicable track (A, B, or C)
- Issue a written Eligibility Certificate valid for 6 months

Eligibility Certificates do not guarantee funding. Issued first-come, first-served subject to available funds. DPCD will maintain a waitlist when annual funding is fully committed.

Step 3 — Property Selection and Review

Once the applicant has identified a property and executed a P&S, they must submit the P&S to DPCD along with independent home inspection, lead paint inspection (if applicable), and for 2-3 family, unit configuration and rent roll. DPCD reviews within 15 business days.

Step 4 — Legal Document Preparation

The City prepares all required deed restriction instruments (see Section 6). DPCD coordinates with the applicant's closing attorney.

Step 5 — Subsidy Commitment and Closing

DPCD issues a Commitment Letter confirming subsidy amount and funding source(s), subject to: no material change in income/household composition, no material change in property condition, and closing within 90 days. RAHBP funds are disbursed directly to the bank at closing.

Step 6 — Post-Closing Monitoring

- Annual: Occupancy self-certification from owner confirming principal residence
- Annual (2-3 family): Rent and tenant income certification for non-owner units
- Periodic: Registry of Deeds review to confirm no unauthorized transfers
- As needed: Capital improvement pre-approval requests (responded to within 20 business days)
- Event-triggered: DPCD notified within 30 days of any planned sale, transfer, refinancing, or change in occupancy

Step 7 — Resale and Payoff

Owner must notify DPCD in writing at least 60 days prior to listing. DPCD will calculate the restricted resale price (Phase 1) or equity share (Phase 2), issue a payoff statement, exercise or waive ROFR within 30 days, and coordinate AFHMP marketing for Phase 1 sales. Recaptured funds return to CDBG program income or AHTF.

Section 8: Affordability Gap Analysis

The affordability gap analysis for Revere reveals a wide spectrum of need. A single income threshold and subsidy amount cannot serve households across the full range of LMI and moderate-income buyers:

- At 80% AMI, 4-person households can afford approximately $328,400 (for a 3-BR unit) — a gap of roughly $222,000 from Revere's ~$550,000 median. No subsidy amount that is fiscally sustainable can fully close this gap for median-priced properties. The Track A cap and purchase price ceiling redirect these households toward the lower end of the Revere market.
- At 100% AMI, the gap narrows to approximately $118,000–$277,000 depending on unit type and household size. Track B's $150,000 maximum subsidy is sized to close this gap for 3-4 person households seeking properties priced below the median.
- At 120% AMI, the gap is approximately $29,000–$211,000. Track C's $75,000 subsidy, while more modest, can make homeownership viable for households that are otherwise priced out of Revere despite earning well above the traditional LMI threshold.