Chatham County Board of Commissioners
Commissioners Meeting | November 3, 2025

CHATHAM COUNTY
NORTH CAROLINA

VICKERS VILLAGE UPDATES

PRESENTED BY:
Jamie Andrews, Housing Officer
in collaboration with Chatham County Manager's Office

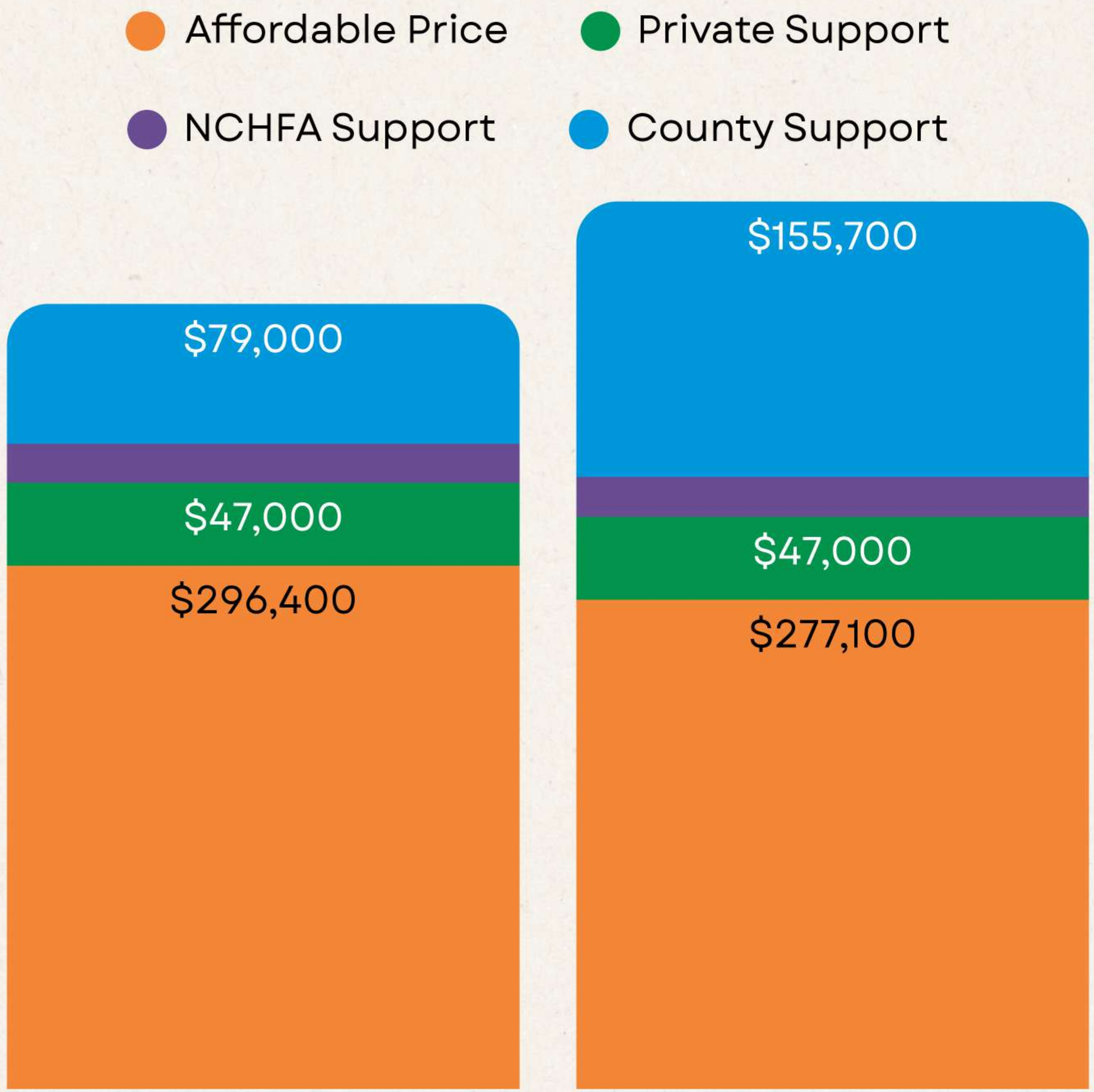
The Pitch

5% of units in Vickers Village (10 units) would be sold at prices below market rate and kept affordable in perpetuity. This is possible through the following factors:

1. Lots designated by VBG for affordable units
2. Reimbursement for school impact fees from the County
3. Limited luxury finishes
4. Waived sales commissions and other fees
5. Downpayment support from VBG to make units affordable. This amount was based on an ***example*** sale price of $300,000 per unit less the price affordable to a household earning 80% AMI.

2021 vs 2025

Support required for a household of 4 at 80% AMI



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What the Deal Would've Required

If Chatham County...	**the county would get...**
Provides $1,740,000	2 units at 60% AMI, 8 at 80% AMI*
Provides $635,000	1 unit at 60% AMI, 4 at 80% AMI*
Stays in but provides nothing	10 units affordable at 110% AMI, or 2 at +/- 70% AMI, likely no long-term affordability maintenance
Accepts VBG fee-in-lieu	0 units from VV, $470,000 payment-in-lieu

*A long-term affordability manager will require funding commitment beyond the identified number. Affordability maintenance could cost some $2,000-$2,400 per unit per year; this may be limited through other negotiations.

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What We Could Do Instead

Option	Investment	Units
Revolving loan fund	$300,000+	5-9 rentals or ownership opportunities, cyclically
Low-Income Housing Tax Credit (LIHTC)	$470,000 to $2 million	84 affordable rentals
Habitat for Humanity	Up to full amount	72+ ownership opportunities
Expand Housing Trust Fund offerings	Up to full amount	Unknown! Leaves the door open for new proporsals.

Chatham County
North Carolina

Requested Action

Following the October 20th session, staff has resumed conversations with representatives of the Vickers Village project. Based on these conversations, an amendment to the Affordable Housing Element is proposed for approval by the Board of Commissioners in line with identified priorities. The proposed amendment would include the following:

1. Increased per-unit Payment in Support, now in the amount of $52,600, over $47,000 previously, based on Consumer Price Index increases between 2021 and the present.
2. Acceptance of a fee in lieu of affordable units in the amount of $526,000 for use on other housing initiatives. This is the above Payment in Support multiplied by 10 units.

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Chatham County Board of Commissioners
Commissioners Meeting | October 20, 2025

Chatham County North Carolina

VICKERS VILLAGE UPDATES

PRESENTED BY:
Jamie Andrews, Housing Officer
in collaboration with Chatham County Manager’s Office

Agenda

Definitions and the Market

Vickers Village as a Housing Intervention

Complications and Challenges

Moving Forward and Alternatives

Next Steps and Lessons Learned

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Definitions and the Market

Housing Costs Definition

We assess whether housing is affordable based on whether the occupant household spends no more than 30% of their gross income on **housing costs**.

Housing costs (HUTS)	Estimate (monthly)	Source
HOA fees	$385 (NC Average)	Today's Homeowner; Queen City News
Utilities	$121	Forbes Homeowner
Taxes	(.60/$100 value)/12	Chatham County general rates
InSurance	(.58/$100 value)/12	Bankrate
Mortgage payment	30% income - above	

We use these values in addition to household income and other factors like downpayment to reverse-engineer an affordable purchase price through a modified Present Value formula

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Affordable Prices

Based on assessments in the previous slide, the following purchase prices are derived from the amounts households can pay for their mortgage

Affordable purchase prices at various income levels (household of 4)

AMI Level	Annual Income	One Income Earner	Two Income Earners	Mortgage + 20% Downpayment
30%	$34,700	Preschool teacher		$115,000*
60%	$69,400	Sales representatives	Janitors, home nurses	$189,000
80%	$92,500	Accountants and auditors	Pharmacy techs	$277,000

*HOA fees omitted

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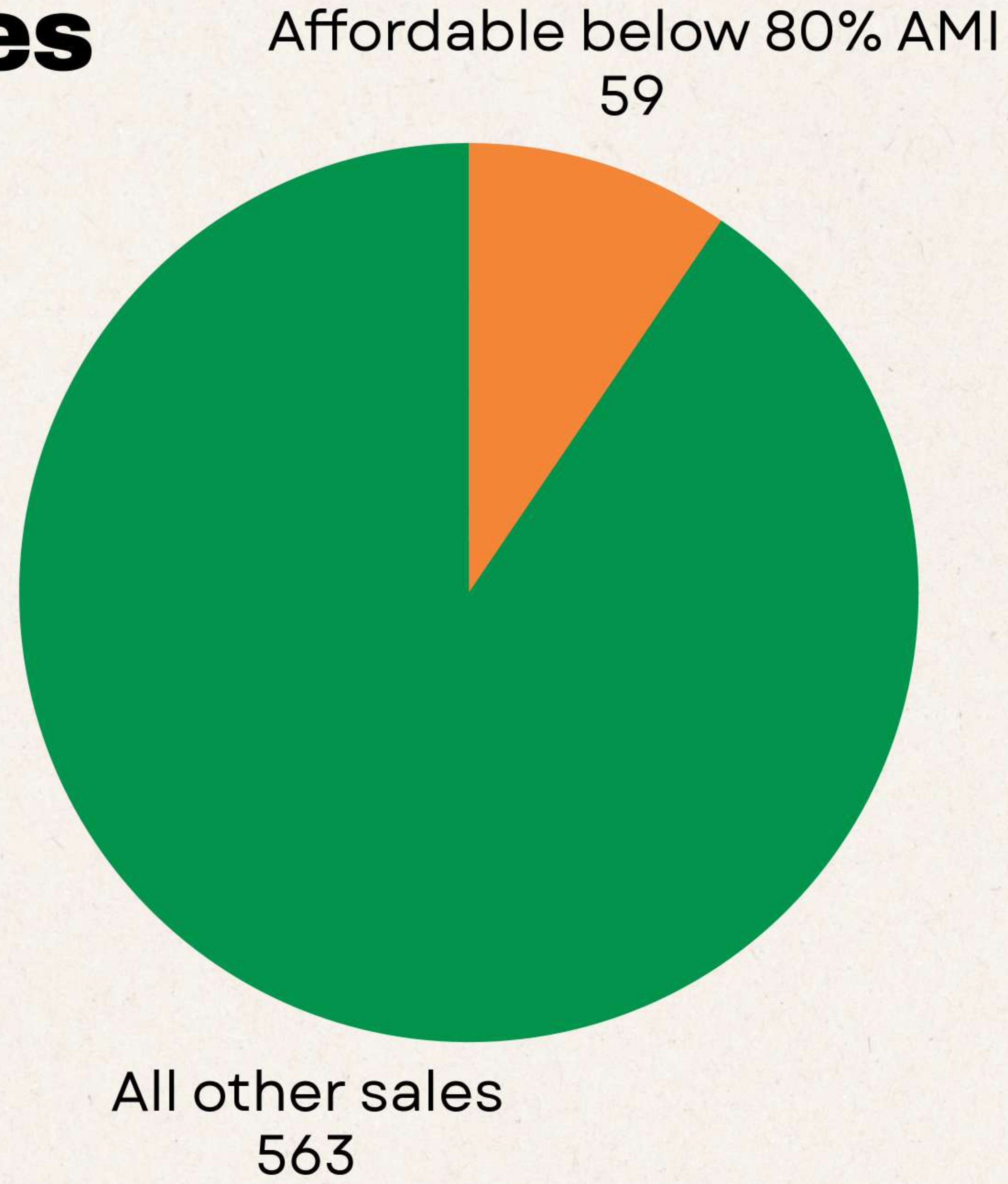
Market-Rate Opportunities

Fewer than 10% of homes sold in Chatham between April and August 2025 were sold at prices affordable to households earning less than 80% AMI ($277,000). Several homes sold below this price are not walk-in ready and thus may not be eligible for federal purchase support.

Combination of factors:

- New builds are expensive (supplies, debt)
- In-migration increases demand and thus price (new arrivals are wealthier than current residents)
- Current owners are not selling and moving, better to hold on to an older, cheaper mortgage than seek a newer one



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The Vickers Village Project

The Partnership

The Vickers Village project is a multi-party arrangement:

- **Chatham County** rezones the land as a “Compact Community” to increase density
- **Vickers-Bennett Group** will include 5% of total units as affordable homeownership opportunities
- **Residential Developer** would limit sale prices of affordable units
- **Nonprofit Partner** will maintain long-term affordability and support income-qualified buyers

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The Problem

Both the price at which units could be sold, according to the contract (sale price), and the amounts households would pay for units (purchase price) have changed. Down-payment assistance has not changed, and there's no clear mechanism for filling this gap.

Sale price	Price affordable at 120% AMI	+13% since 2021
Purchase price	Price affordable at 80% AMI	-6% since 2021
Down payment assistance	$47,000	-20% with inflation
Funding gap	120%-(80%+$47k)	**+90% since 2021**

The County Math Problem

Affordability Math Today

Factor	Calculation
Sale price for residential developer	Price affordable at 120% AMI
Purchase price for income-qualified buyer	Based on income, 60-80% AMI
Down-payment support from VBG	$47,000 (based on $300k in 2021)
Down-payment support from NC Housing Finance Agency (not guaranteed!)	3% cost + $15,000
Funding gap	Sale price minus purchase price and all other assistance

With no other means for down payment assistance, **Chatham County assumes this gap to make units affordable.**

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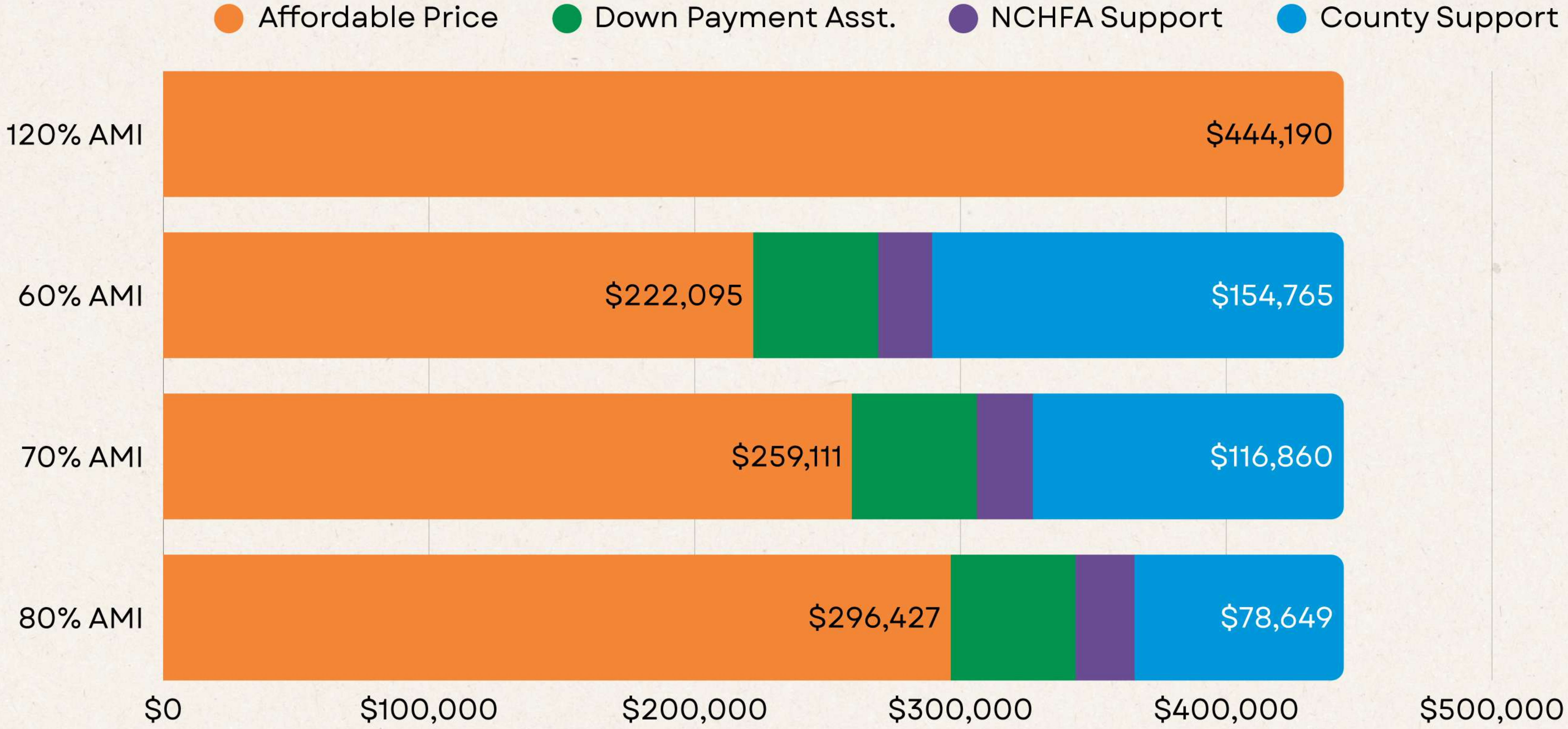
Project Math: 2021



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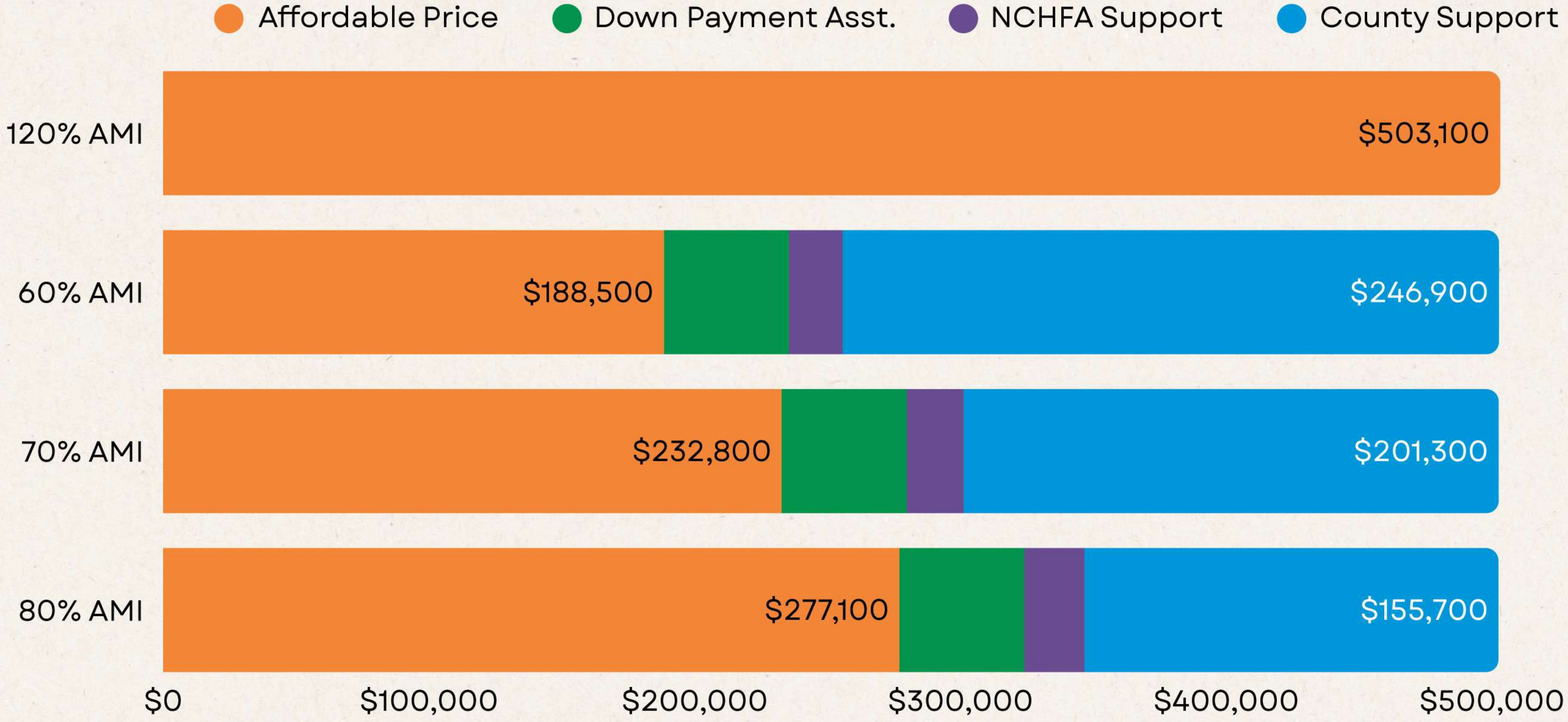
Project Math: 2025



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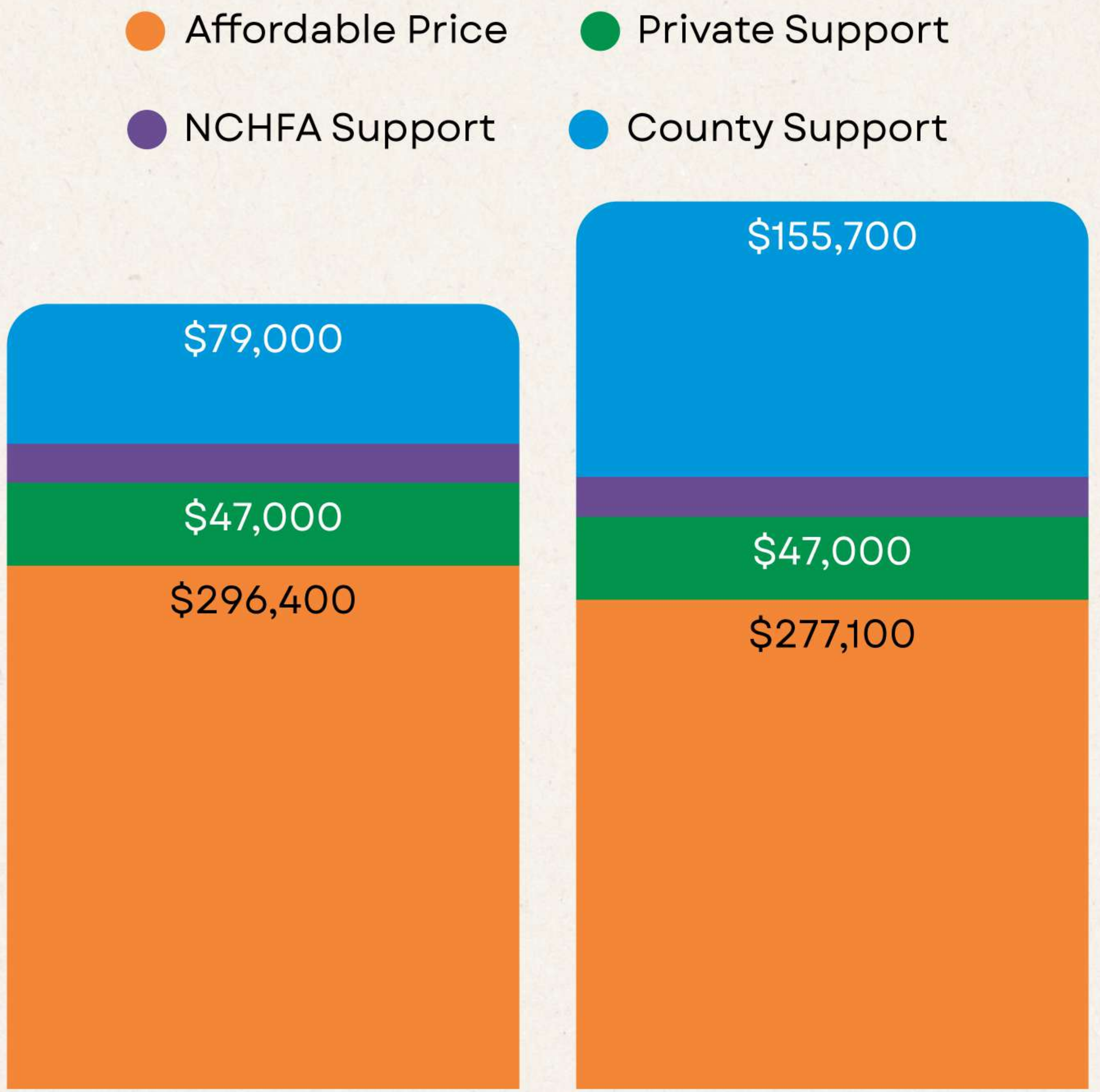

Moving Forward and Alternatives

How We (Could) Make The Deal Work

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Important Note Here

The goal of this project was always to leverage planning incentives in exchange for affordable housing opportunities. **We achieve this goal either way.**

- If we remain in this project, we gain ten permanently affordable units!
- If we accept the fee in lieu of affordable units, we gain an infusion of funds to support a new strategy or invest in ongoing efforts.

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Requested Action

Staff requests guidance on how to proceed with this project. Three options are provided, though these are not exhaustive.

1. Continue the project as currently planned, accepting the current need for County support and that the need for support from the county will likely grow over time.
2. Accept the outlined fee-in-lieu in exchange for the included affordable units with the intent to support other housing initiatives
3. Begin a renegotiation process prior to board re-approval of the conditional zoning permissions for this development, ultimately seeking an increased payment in support or fee in lieu

Clarifications?
Questions?
Thoughts?