CAN THE PEOPLE WHO SERVE VIRGINIA BEACH AFFORD “ATTAINABLE” AT PRINCESS ANNE LANDING?

The housing math for city employees at FIVE YEARS of service, using standard 28/38 lender ratios

CITY MODEL VALUE OF AN “AMI-TARGETED” UNIT	INCOME NEEDED TO BUY ONE (5% DOWN, 28% RATIO)	VB POLICE OFFICER PAY AT FIVE YEARS OF SERVICE
$374,600	**$136,586**	**$70,450**
Garden Flats and Terrace Homes, per the City's own fiscal model	At today's 6.66% average mortgage rate, with taxes, insurance and an estimated condo fee	City Salary Structure effective 7/9/2026, grade Y22 step 7

WHAT IT ACTUALLY COSTS EACH MONTH

The project's two “attainable” product types, the Garden Flats and Terrace Homes (360 of 659 units), carry a median value of $374,600 in the City's own fiscal model. Here is the monthly bill at today's Freddie Mac average rate of 6.66%, and the income a lender's standard 28% housing ratio requires. FHA is WORSE than 5% down conventional: its mortgage insurance outweighs the smaller down payment. A VA loan helps only veterans, and only barely:

Buying a $374,600 “attainable” condo	Conv. 5% down	Conv. 10% down	Conv. 20% down	FHA 3.5% down	VA 0% down
Cash needed at signing	$18,730	$37,460	$74,920	$13,111	$0
Principal + interest (6.66%, 30 yr, financed fees incl.)	$2,287	$2,167	$1,926	$2,364	$2,459
RE tax + insurance + monthly mortgage ins.	$600	$518	$378	$544	$378
Condo fee (estimated; not yet disclosed)	$300	$300	$300	$300	$300
TOTAL MONTHLY HOUSING COST	**$3,187**	**$2,985**	**$2,604**	**$3,207**	**$3,137**
INCOME NEEDED at 28% front-end ratio	**$136,586**	**$127,929**	**$111,600**	**$137,459**	**$134,445**

WHAT VIRGINIA BEACH PAYS THE PEOPLE WHO SERVE IT

Pay at five completed years of service, from the City's current step structure and the school division's step scale:

Who serves this city, and what they earn	At 5 years	Share of income to buy (5% down)
VB Police Officer I (Y22 step 7)	$70,450	**54%**
VB Firefighter (Y22 step 5)	$66,082	**58%**
VBCPS Teacher (Step 5, 2026-27 scale)	$62,268	**61%**

Even at five years of service, a single officer, firefighter, or teacher would have to commit 54% to 61% of gross pay to housing alone. Lenders stop at 28%.

SO WHO CAN ACTUALLY BUY ONE?

Apply the same 28% front-end lending ratio to real Virginia Beach households, using the 5% down scenario ($18,730 cash at signing):

Household (all at 5 years of service)	Combined income	Passes the 28% test? (5% down)
Police Officer, single	$70,450	**NO (54% of income)**
Police Officer + Schoolteacher	$132,718	**NO (28.8% of income)**
Police Officer + Firefighter	$136,532	**NO (short by $54 of income)**
Family at the VERY TOP of the targeted band ($129,240 = 120% AMI, family of four)	$129,240	**NO ($3,016 budget vs $3,187 cost)**
Police Officer + Firefighter + Schoolteacher (three incomes)	**$198,800**	**YES (19% of income)**

THE BOTTOM LINE

Five years of service does not fix it. A five-year police officer married to a five-year firefighter, $136,532 in combined pay, misses the standard 28% lending test by $54 a year. An officer married to a five-year teacher misses it too. FHA does not rescue them: its mortgage insurance makes the income bar HIGHER than conventional. A zero-down VA loan lowers the bar to $134,445, enough for the officer-firefighter couple ONLY if one is a veteran; the officer-teacher couple still fails. Otherwise only three incomes or $37,460 in savings gets a family in, and a family at the very top of the targeted band ($129,240) fails all five financing scenarios.

Under the 38% total-debt ratio, a five-year officer and teacher couple could carry about $1,016 per month in ALL other payments: roughly one car payment and one student loan, nothing more. Childcare, which lenders do not count, would consume the rest, in a project advertising a daycare site its own neighbors could not afford to use.

AND NONE OF IT IS GUARANTEED: THE “BEST EFFORTS” CLAUSE

The draft Term Sheet (Section 2(d)) promises only that the “Developer shall use best efforts to target two of the four residential product types to households earning under 120% of Area Median Income.” **There is no binding sale price, no deed restriction, no buyer income qualification, and no stated remedy if actual prices come in higher.** The $374,600 figures above are the City's own model values; the actual prices are whatever the market will bear.

BEFORE THE AUGUST 11 VOTE, ASK:

1. Will the Purchase and Development Agreement or rezoning proffers make the price target BINDING?
2. What will the condo fees be, and are they counted in any affordability claim?
3. Can the City name one two-earner police, fire, or teacher household, even at five years of service, that qualifies with 5% down?

Sources and assumptions: Unit counts and median assessed values: City of Virginia Beach fiscal impact workbook, Golf Course VBN Fiscal Impact PA Landing (Variables and Real Estate tabs). AMI targeting of Garden Flats and Terrace Homes: Princess Anne Landing materials, The Dragas Companies (renewvbnational.com), July 2026. “Best efforts” language: Draft Term Sheet, Exhibit A to the ordinance, Section 2(d), public hearing July 7, 2026. $129,240 (120% AMI, four-person household): City Council presentation June 16, 2026, as reported by WAVY-TV 10. Mortgage rate: Freddie Mac Primary Mortgage Market Survey, July 30, 2026 (6.66% average, 30-year fixed). Salaries at five years: City of Virginia Beach Salary Structure effective 7/9/2026 (revised 6/11/2026). Assumptions: one step advancement per year of service under the City step plan; five completed years of total service including the recruit year. Police: recruit year at grade Y21, academy graduation to Police Officer I at Y22 step 3 (which matches VBPD's published graduation salary of $61,734 exactly), then four annual steps to Y22 step 7 ($70,450); this is conservative, as officers may test to Police Officer II at three years for a further 5% increase. Firefighter: recruit year at Y21, then Firefighter grade Y22 step 1 plus four annual steps to step 5 ($66,082). Teacher: VBCPS Instructional Experience-Based Step Pay Scale, SY 2026-27, Step 5 standard 10-month ($62,268). Monthly costs assume 30-year fixed at 6.66%, real estate tax at $0.97 per $100, estimated homeowners insurance ($75), estimated PMI where down payment is below 20%, and an estimated $300 monthly condominium fee (actual fee not yet disclosed and may be higher). FHA scenario: 3.5% down, 1.75% upfront MIP financed, 0.55% annual MIP. VA scenario: zero down, 2.15% first-use funding fee financed, no monthly mortgage insurance; eligible veterans and service members only. FHA and VA condo loans also require the condominium project itself to hold FHA/VA approval, which new-construction projects lack by default and which nothing in the Term Sheet commits the Developer to obtain. 28/38 ratios are the conventional front-end (housing) and back-end (total debt) qualifying ratios. Figures are estimates for public discussion; actual lending terms vary. Prepared July 31, 2026 by James R. Boyles, president of two local civic organizations.