

Middle-Income Housing Pilot Program (MI-Pilot)

Launch Workshop
Orange Mound Library
October 1, 2024

City of MEMPHIS
HOUSING & COMMUNITY DEVELOPMENT

AGENDA

Greetings

Program Overview & Goals

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Q&A

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Background

- This program aligns with and expands upon the following City of Memphis initiatives:
  - Memphis 3.0 Comprehensive Plan
  - Accelerate Memphis Plan
  - Memphis and Shelby County Joint Housing Policy Plan

1. Improve Housing Quality	The concentrations of disinvested housing stock and lack of private capital throughout the county discourage the maintenance of property, creating a feedback cycle of disinvestment and decline. This plan aims to raise the level of private and public investment, ending the cycle of disinvestment in Shelby County.
2. Support Homeownership	Owner-occupants lack access to financing to maintain and improve their homes, preventing them from benefitting from the wealth generation of homeownership. This plan aims to address barriers to homeownership and reduce the increasing proportion of renters that are not benefitting from homeownership wealth generation.
3. Diversify Housing Stock	Middle-scale housing is more economically viable in many areas of Shelby County and better aligns with many resident's needs compared to single-family or large-scale multifamily that dominate new development. This plan recommends adjusting housing regulations and requirements to encourage private investment in a range of housing typologies.
4. Increase Quality Low-Income Housing	There is a shortage of quality affordable housing for lower income residents, contributing to blight and concentrated poverty that harms residents and neighborhoods. This plan recommends focusing and scaling local public funding to increase the production of affordable housing units by leveraging federal, state, and philanthropic resources.

Program Overview & Goals

The Memphis Middle-Income Housing Pilot Program (MI-Pilot) promotes infill development of "missing middle" housing affordable to middle-income Memphians through financial support to local non-profit and for-profit developers in the construction or rehabilitation of infill housing units.

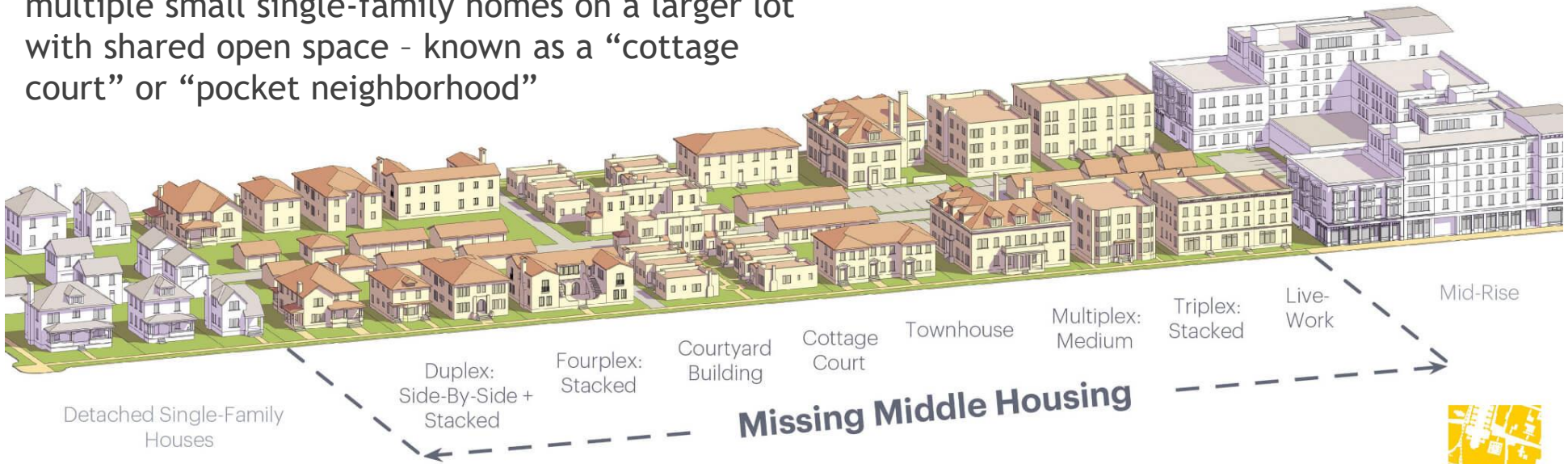
- Goals:
  - create a more diverse housing stock,
  - develop attainable owner-occupied and rental units,
  - increase local developer capacity,
  - reduce blight – spurring additional development

Definitions

- "Missing Middle" housing: 2–6-unit structures (duplexes, townhomes, and small multifamily "large homes"), as well as infill single-family homes.
- Eligible single-family:
  - small single-family or "cottage" home on an infill lot with <45 ft width;
  - multiple small single-family homes on a larger lot with shared open space – known as a "cottage court" or "pocket neighborhood"



YIMBY Winnipeg and Jason Syvixay/Jennifer Becker



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OPTICOS







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Definitions

- Attainable/Middle-Income: affordable for households at 80-120% of HUD Area Median Income
  - For a family of four, this is an annual income between $68,150 – $102,240
  - Housing is affordable if it costs up to 30% of monthly income

Affordable Sales Price			
	80% AMI	100% AMI	120% AMI
Recommended	$127,835	$195,080	$261,782
Maximum	$175,038	$254,095	$332,599

Affordable Rent Ranges		
Studio	$1,030	$1,230
1 BR	$1,145	$1,405
2 BR	$1,270	$1,580
3 BR	$1,430	$1,755
4 BR	$1,590	$1,995

Program Details

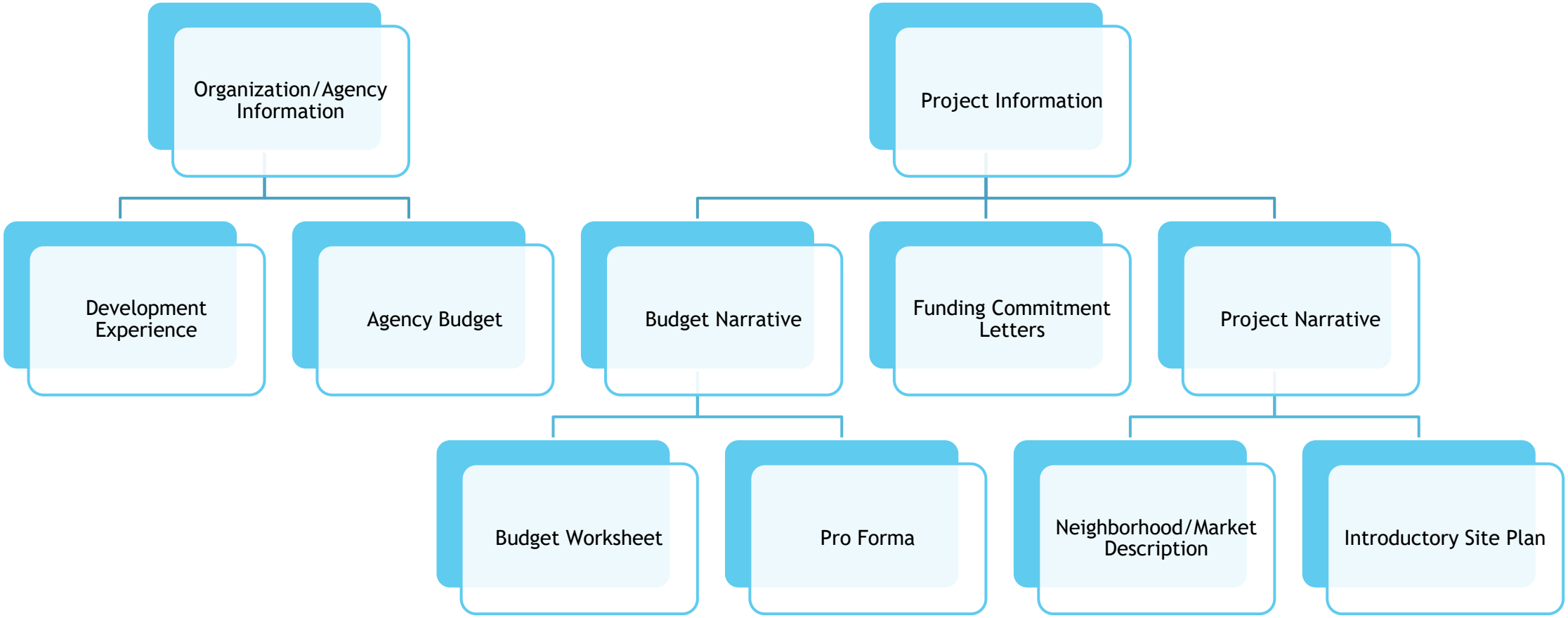
- $1M available – applications accepted until funds are exhausted
- Minimum award: $50,000
- Maximum award: $500,000 ($50,000/unit)
- Funding will be 50% grant & 50% loan (3% interest rate)
- Affordable rent prices will be monitored by submitting rent roles annually (rent cannot increase >3% annually)
- Affordable for-sale units will have restrictive covenants to maintain long-term affordability
- Affordability periods:
  - 5-15 years for rehab/conversion of existing housing (based on funding amount)
  - 20 years for new construction

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Eligibility

- Applicants: Non-profit and for-profit developers are eligible to apply
- Eligible activities:
  - New construction of vacant infill single-family housing
  - New construction of vacant 2–6-unit multifamily housing units
  - Rehabilitation or conversion of vacant multifamily units
- Project must have a minimum of four (4) units (can include multiple sites/lots)
- All sites must be within 3 miles of each other to support increased density near neighborhood anchors (bonus points if within ½ mile of Memphis 3.0 Nurture/Accelerate Anchors) **link to map in application*
- Applicant must have site control and move into construction within 240 days of funding award
- Developers must utilize MWBEs for a minimum of 25% of project costs

Application Components



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START

ATTACHMENT B: MI-PILOT APPLICATION REQUIRED DOCUMENTS CHECKLIST

- ☐ 501c3 Certification (if applicable)
- ☐ Commitment Letters
- ☐ Budget Worksheets: Agency and Project Budgets (template provided Here , complete and upload)
- ☐ Project Budget Justification Narrative
- ☐ Pro Forma (template provided Here, complete and upload)
- ☐ Needs Assessments/Market Study
- ☐ Development Team Staff: Resumes, job descriptions, salaries, credentials, etc. (as applicable)
- ☐ Documentation of Site Control
- ☐ Current Site Conditions (Photos) and Preliminary Site Plan
- ☐ Any additional attachments – Section 10 (if necessary)

Optional Optional Optional Optional Optional

For More Information Contact:
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Financial Reporting

	A	B	C	D
1	**APPLICANT/AGENCY BUDGET: TOTAL AGENCY REVENUES AND EXPENDITURES**			
2	Complete all the required budget information before submitting your application. The Agency Revenue & Expenditures Budget is the organization's total income and expenses for a three-year period. Kindly itemize your revenue and expenses for past, present, and future costs for each category indicated on the budget. The revenue section should represent all income your organization has or will receive. The expenses section represents how the funds were spent. This is required to determine the soundness of your organization and need for funds. APPLICATIONS WITH INCOMPLETE BUDGETS WILL BE PENALIZED.			
3	**Agency Name:**			
4	**Agency Fiscal Year:**			
5				
6	**Revenue**	**Actual FY2024 Budget**	**Current FY2025 Budget**	**Estimated FY2026 Budget**
7	Agency Fund-raising	0	0	0
8	Donations	0	0	0
9	Government Grants (Public)	0	0	0
10	Loans	0	0	0
11	Non-Gov't Grants	0	0	0
12	Fees for Services	0	0	0
13	Other Income: (Specify Source)	0	0	0
14	Other Income: (Specify Source)	0	0	0
15	Other Income: (Specify Source)	0	0	0
16	**Total Revenue (A)**	**0**	**0**	**0**
17				
18	**Expenditures**	**Actual FY2024 Budget**	**Current FY2025 Budget**	**Estimated FY2026 Budget**
19	Salaries	0	0	0
20	Employee Taxes & Benefits (Fringes)	0	0	0
21	Professional Fees	0	0	0
22	Contracted Services	0	0	0
23	Subscriptions/Memberships	0	0	0
24	Communications	0	0	0
25	Materials and Supplies	0	0	0
26	Occupancy/Rent	0	0	0
27	Local Transportation	0	0	0
28	Client/Essential Services	0	0	0
29	Major Equipment Purchases	0	0	0
30	Bookkeeping/Audit	0	0	0
31	Bank Fees & Interests	0	0	0
32	Utilities	0	0	0
33	Postage	0	0	0
34	Phone Services	0	0	0
35	Other Expense: (Specify Type)	0	0	0
36	Other Expense: (Specify Type)	0	0	0
37	Other Expense: (Specify Type)	0	0	0
38	Other Expense: (Specify Type)	0	0	0
39	**Total Expended (B)**	**0**	**0**	**0**
40				
41	**Balance (A-B)**	**Actual FY2024 Budget**	**Current FY2025 Budget**	**Estimated FY2026 Budget**
42	**Revenue - Expenditures**	**0**	**0**	**0**
43				
44				
45				

BS and P&L | Sources | Uses

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	A	B	C	D	E	F	G	H	I	J	K	L
1	**DEVELOPER'S CASH FLOW PROFORMA**											
2	**Developer Name:**											
3	**Project Name:**											
4												
5		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	YR11
6	**REVENUES**											
7	Gross Residential Rent	0	0	0	0	0	0	0	0	0	0	0
8	+ Other Income	0	0	0	0	0	0	0	0	0	0	0
9	= GROSS INCOME	0	0	0	0	0	0	0	0	0	0	0
10	- Vacancy Residential	0	0	0	0	0	0	0	0	0	0	0
11	= EFFECTIVE GROSS INCOME	0	0	0	0	0	0	0	0	0	0	0
12	- OPERATING EXPENSE											
13	Management Fee	0	0	0	0	0	0	0	0	0	0	0
14	Accounting/Legal	0	0	0	0	0	0	0	0	0	0	0
15	Trash	0	0	0	0	0	0	0	0	0	0	0
16	Utilities (Gas, Water, Sewer, Electric)	0	0	0	0	0	0	0	0	0	0	0
17	Maintenance	0	0	0	0	0	0	0	0	0	0	0
18	Grounds	0	0	0	0	0	0	0	0	0	0	0
19	Elevator	0	0	0	0	0	0	0	0	0	0	0
20	Administration	0	0	0	0	0	0	0	0	0	0	0
21	Supplies	0	0	0	0	0	0	0	0	0	0	0
22	Property Taxes (PILOT)	0	0	0	0	0	0	0	0	0	0	0
23	Total Operating Expenses	0	0	0	0	0	0	0	0	0	0	0
24	- RESERVE DEPOSITS	0	0	0	0	0	0	0	0	0	0	0
25	= NET OPERATING INCOME (NOI)	0	0	0	0	0	0	0	0	0	0	0
26	- DEBT SERVICE											
27	Amortized Loan Payments	0	0	0	0	0	0	0	0	0	0	0
28	Interest Only Loan Payments	0	0	0	0	0	0	0	0	0	0	0
29	Deferred Loan Payments (calc pmt)	0										
30	- TOTAL DEBT SERVICE (D/S)	0	0	0	0	0	0	0	0	0	0	0
31	=CASH FLOW (CF)	0	0	0	0	0	0	0	0	0	0	0
32												
33												
34	Assumptions - Change/Yr			Vacancy								
35	Residential Rent Rate of Increase	0.00%		Res Yr 1	0.00%							
36	Other Income Rate of Increase	0.00%		Res Yr 2	0.00%							
37	Expenses Rate of Increase	0.00%		Res Yr 3	0.00%							
38	Property Tax Rate of Increase	0.00%										
39	Reserve Deposits Rate of Increase	0.00%										
40												
41												

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Scoring

Applications will be reviewed/scored by the Review Committee
Minimum score for funding: 100/135

- Threshold Criteria (85 Points)
- Site Control
- Project Readiness
- Development Team Capacity
- Feasibility & Funding
- Affordability Terms

Applications with an incomplete Agency/Project Budget and/or Pro Forma will be denied

Bonuses (50 Points)

- MWBE Participation
- Alignment with Anchor Strategy
- Energy-efficiency
- Universal Design & Visitability
- Community Connectivity

MI-Pilot Application Review

Completeness and Eligibility Reviews	• By Program Staff
Application Reviewed & Scored	• **By Review Committee** of Industry Experts
Notifications	• Award Approvals or Denial Letters

How to Apply

MIDDLE INCOME HOUSING PILOT (MI-PILOT) PROGRAM



MI-Pilot Workshop Presentation

MI-Pilot Workshop Recording

The Memphis Middle-Income Housing "Pilot" Program is designed to support local non-profit and for profit developers in the construction or rehabilitation of attainable missing middle housing.

Program Overview:

- Construction or rehabilitation/conversion of 2-6 unit mutli-family and infill single-family housing
- Financial assistance is in the form of a 50% grant and 50% loan
- Housing produced through the MI-Pilot Program can be for sale or rent
- Units must be affordable for moderate/middle-income households – earning 80-120% AMI

The application for MI-Pilot funds is currently open and will close when all funds are exhausted.
MI-Pilot Program Guidelines
MI-Pilot Required Documents Checklist
Click to access the Middle Income Housing Pilot Program (MI-Pilot) Application

Application will become live on HCD's website on Tuesday, October 1st, 2024 at 2:00pm CST

1. Visit memphistn.gov/developers
2. Open Middle Income Housing Pilot (MI-Pilot) Program Tab
3. Click the link to fill out the Application

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Submission Process & Tips

Download and Review the Program Guide and Required Documents Checklist located on the City of Memphis HCD website prior to starting your application

Application is through Docusign

- You will be prompted to enter your name and email
- An Access Code will be sent to your email to enter before you can proceed
- Click “finish later” to save the application as a draft until you are ready to submit as final

If additional people need to work on the application click “ Assign to Someone Else” to give them access

- You will need to provide them with the Access Code

Review your application for completion and ensure **all documents have been uploaded** on the “Required Documents Checklist” page prior to submitting your final application

Print a copy of the application for your records

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Questions?

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Thank you for Attending!

For More Information Contact

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