



10,000 Housing Units by 2030

Advancing the Housing Policy Plan

Background

In April 2022, the City of Memphis and Shelby County developed the Joint Housing Policy Plan. Both governments recognized their roles as active players and influencers in the housing market and came together to coordinate their collective authority to shape development patterns through regulation, infrastructure, land availability, funding priorities, and other policy decisions.

Improve Housing Quality

Focus on helping owner occupants remain in their homes and bring value back to disinvested neighborhoods. Additionally, increase the level of private and public investment to end the cycle of disinvestment in the region.

Support Homeownership

Address barriers to homeownership and reduce the increasing proportion of renters that are not benefitting from homeownership wealth generation.

Diversify Housing Stock

Adjust housing regulations and requirements to encourage private investment in a range of housing typologies, including middle-scale housing which is more economically viable and better aligns with resident needs.

Increase Quality Low-Income Housing

Focus and scale local public funding to increase the production of affordable housing units by leveraging federal, state, and philanthropic resources.

! The Memphis and Shelby County Joint Housing Policy Plan was adopted by Memphis City Council in 2023

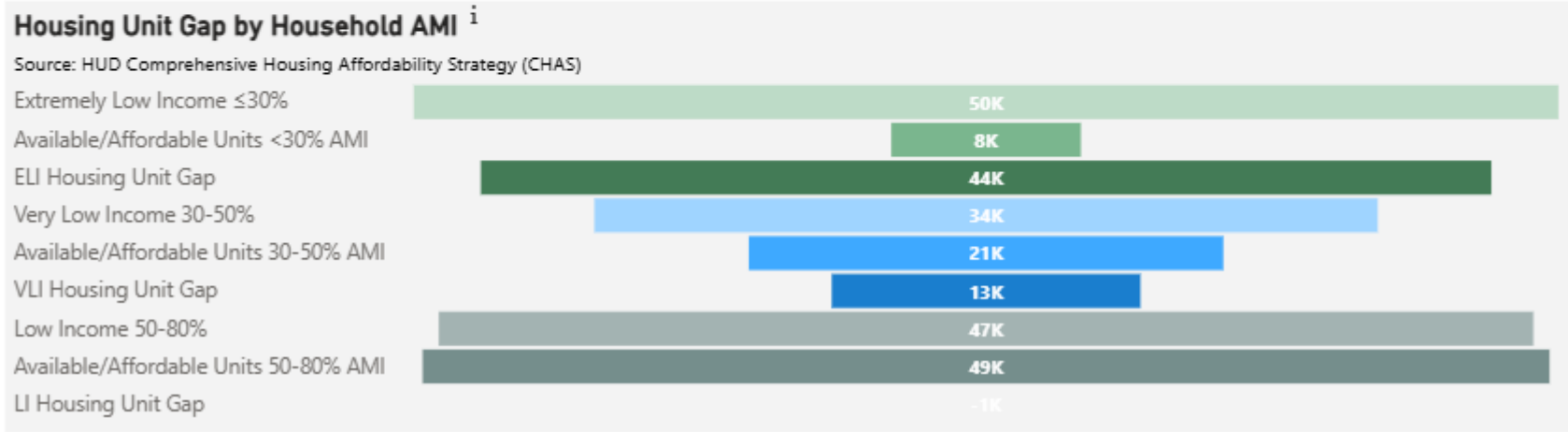
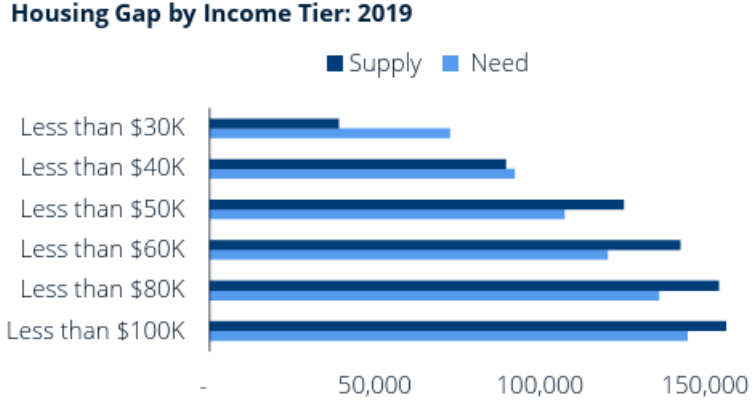
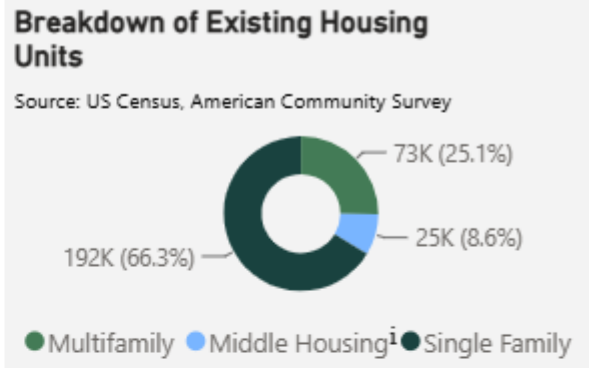
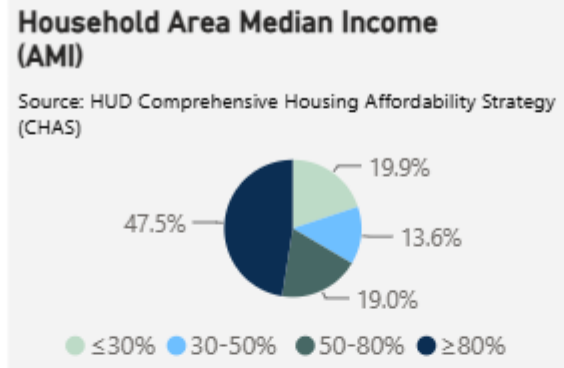
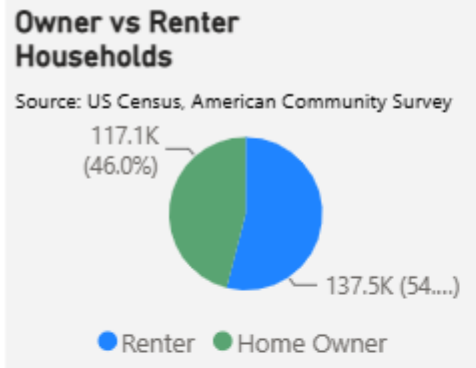
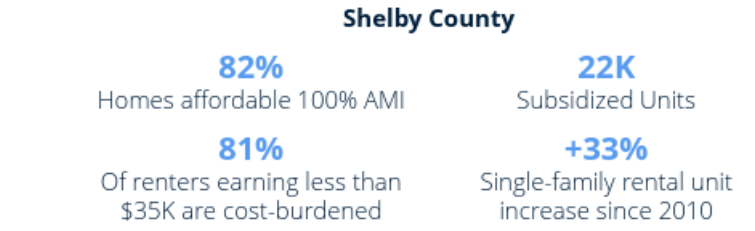
Setting a Goal

The plan found that City of Memphis and Shelby County have the capacity to mitigate growing housing issues by focusing on five primary actions that influence housing economics, finance access, and public/private alignment. The recommendations were framed around the Memphis 3.0 comprehensive plan to help focus growth into core neighborhoods.

| | | |
|---------------------------------|------------------------|---|
| Housing Economics | Land Use | Reform land use regulations to allow for new types of housing that are economically viable by decreasing development costs and simplifying the entitlement process. |
| | Land Activation | Activate land in the county by clearing tax and legal encumbrances and returning it to the market for investment and use. |
| | Tax Reform | Address property tax policies to support reinvestment in the housing stock and new development, while limiting displacement pressure on existing homeowners. |
| Finance Access | Financing | Expand the availability to financing for purchasing, developing, and rehabilitating housing by providing public or philanthropic guarantees for private financing. |
| Public/ Private Alignment | Funding | Align public funding by combining and redesigning existing housing programs and scaling up local public and philanthropic funding. |

Setting a Goal

The plan found there is a 35,000-unit supply gap for renters earning less than \$40,000 a year. This share of the shortage makes up the largest portion of an overall gap that continues to grow since the plan’s publication. There are many partners in the housing ecosystem – the City and County included – all working toward the same gap. But filling a gap does not make for a smart goal.



Setting a Goal

Once Mayor Paul Young took office in 2024, he convened many of these partners into a Housing Task Force to review implementation of the Housing Policy Plan, understand how market dynamics had shifted since the plan's publication, and update recommendations to further advance the Housing Policy Plan into a new administration.

Who is involved...

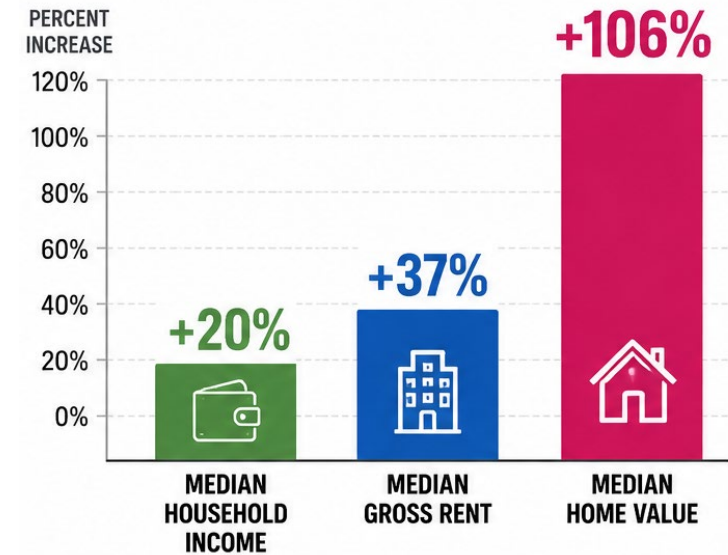
- Division of Housing and Community Development (HCD)
- Community Redevelopment Agency (CRA)
- Health Education and Housing Facilities Board (HEHFB)
- Memphis Housing Authority (MHA)
- Division of Planning and Development (DPD)
- Memphis Metropolitan Land Bank Authority (MMLBA)
- Economic Development Growth Engine (EDGE)
- Shelby County Department of Housing
- Shelby County Land Bank
- Nonprofit CDCs
- United Housing
- Habitat for Humanity
- Alliance for Housing Progress
- The Works
- Alcy Ball CDC
- Klondike CDC
- Memphis Area Association of Realtors
- West Tennessee Homebuilders Association
- And many more...

Setting a Goal

Meanwhile, external factors continue to drive an increase in the city's housing shortage. Increased borrowing costs, increased sales prices and rents, and increase in basic supplies and goods have made quality housing options further out of reach for many Memphians.

From 2019 to 2024...

- Median home value in Memphis has increased by 106%
- Median gross rent is up 37%
- But median household income has increased by only 20%.
- Occupied housing units have increased by 2%.
- But owner-occupied housing has decreased by 2%.
- And renter occupied housing has increased by 6%.



MEDIAN HOME VALUE HAS INCREASED MORE THAN 5 TIMES FASTER THAN INCOMES.

Source: U.S. Census Bureau, ACS 5-Year Estimates (2019 and 2020–2024)

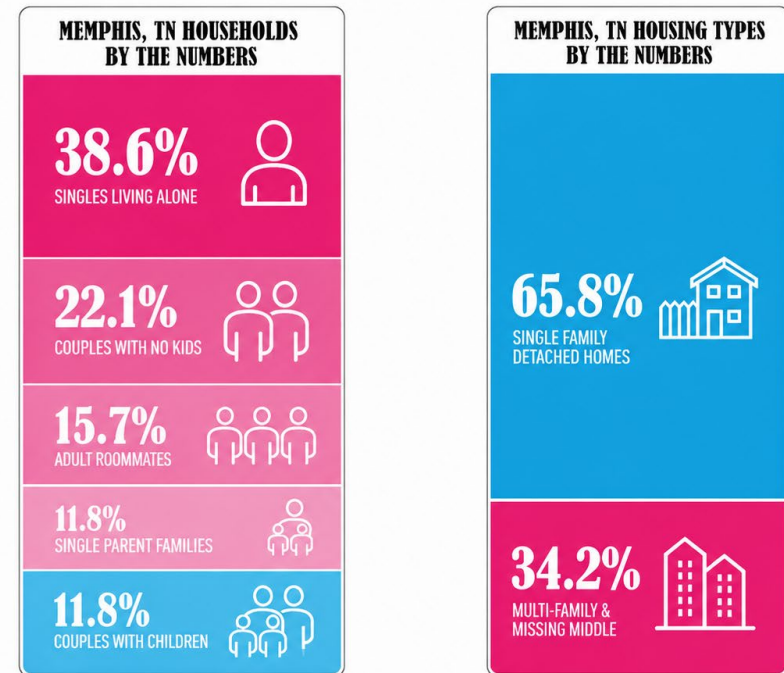
Setting a Goal

Household needs today are different than what available housing stock provides. Two-thirds of housing units in Memphis are single-family homes. But almost 40% of households have only one resident.

Housing Today...

- 66% of housing units in Memphis are single family homes.
- The largest percentage of households by type is now Singles Living Alone (39%)
- Households with children make up less than 24% of households
- Couples with no kids (22%) and adult roommates (16%) make up the remaining share
- Average household size in Memphis is 2.41 persons. In 1970, this was 3.29.

SUPPLY vs DEMAND: HOUSING TYPE



Data Source
United States Census Bureau - 2022: ACS 5- Year Estimates Data Profiles

Setting a Goal

The population of Memphis has declined. But the number of households is going up primarily due to a decrease in average household size. From 1970 to 2024, the overall population of Memphis dropped by 12,000 people – but 34% more homes were needed.



1970: 3.29 PEOPLE PER HOUSE

1970 Population: 623,000 (approx.)



2024: 2.39 PEOPLE PER HOUSE

2024 Population: 611,000 (est.)

34% more homes for 12,000 fewer people



PROJECTED: 2.30 PEOPLE PER HOUSE

2030 Population: 611,000 (projected)

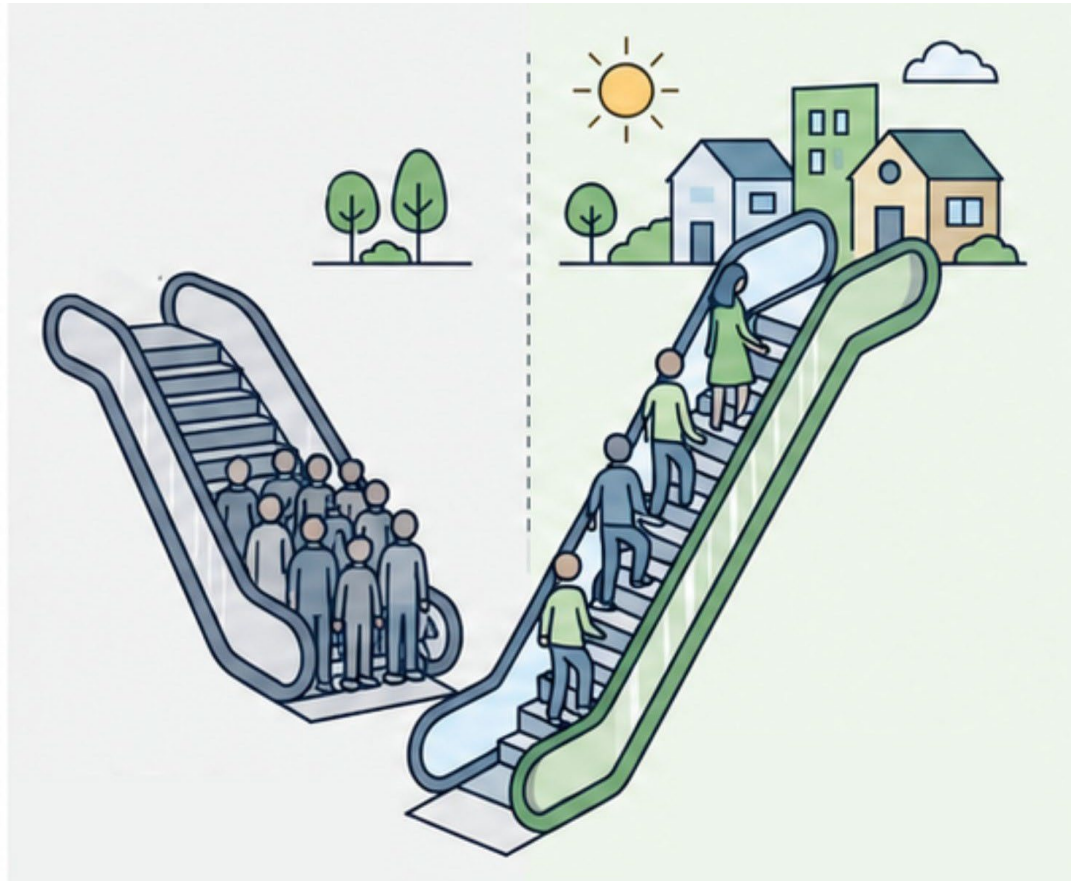
10,000 more homes for the same number of people

Setting a Goal

But meeting housing needs of the community is not a one-to-one matching problem between households and available units. Housing functions more like a circulation system where supply determines whether households can move, form, and adjust over time. If household needs are not within the city, we stand to lose these households to other places.

Wrong View:

Housing is not matching households to steps on a staircase.



Better View:

Housing is like an escalator where households move up and step on and off at different floors.

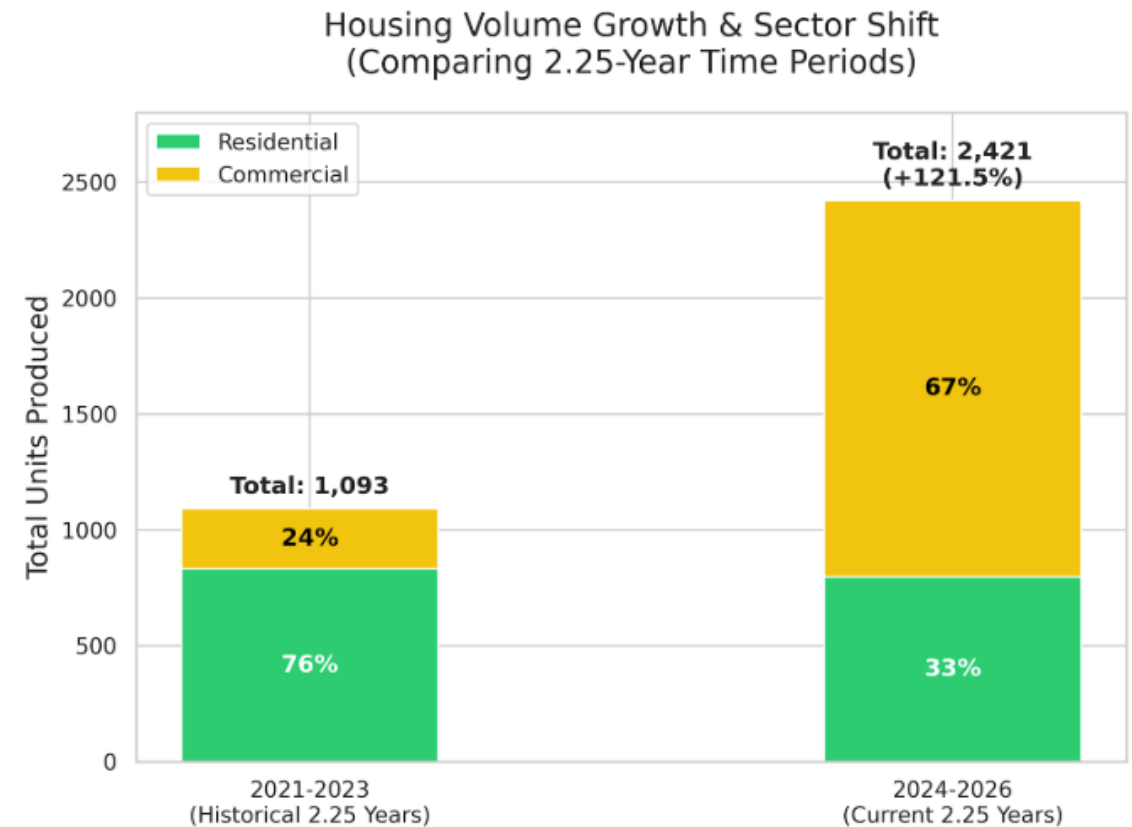
- Households don't occupy a step. They enter and exit at different points.
- Some ride up, some ride down.
- If you stop the escalator, households stop moving upward and the entry for new households gets blocked.

Setting a Goal

To meet the goal of 10,000 housing units by 2030 requires an average of 1,667 new units per year.

To get there...

- Between January 2024 and March 2026, 2,421 units have been completed. This is an average of 1,076 units per year.
- This represents a 121.5% increase from the prior 2.25-year period – nearly all of the production growth is multifamily units.
- At the current pace, the City is on pace to net approximately 6,500 new housing units by 2030.
- To bridge the gap and meet the goal, housing supply production needs to increase by an average of 945 units per year.



Meeting the Goal

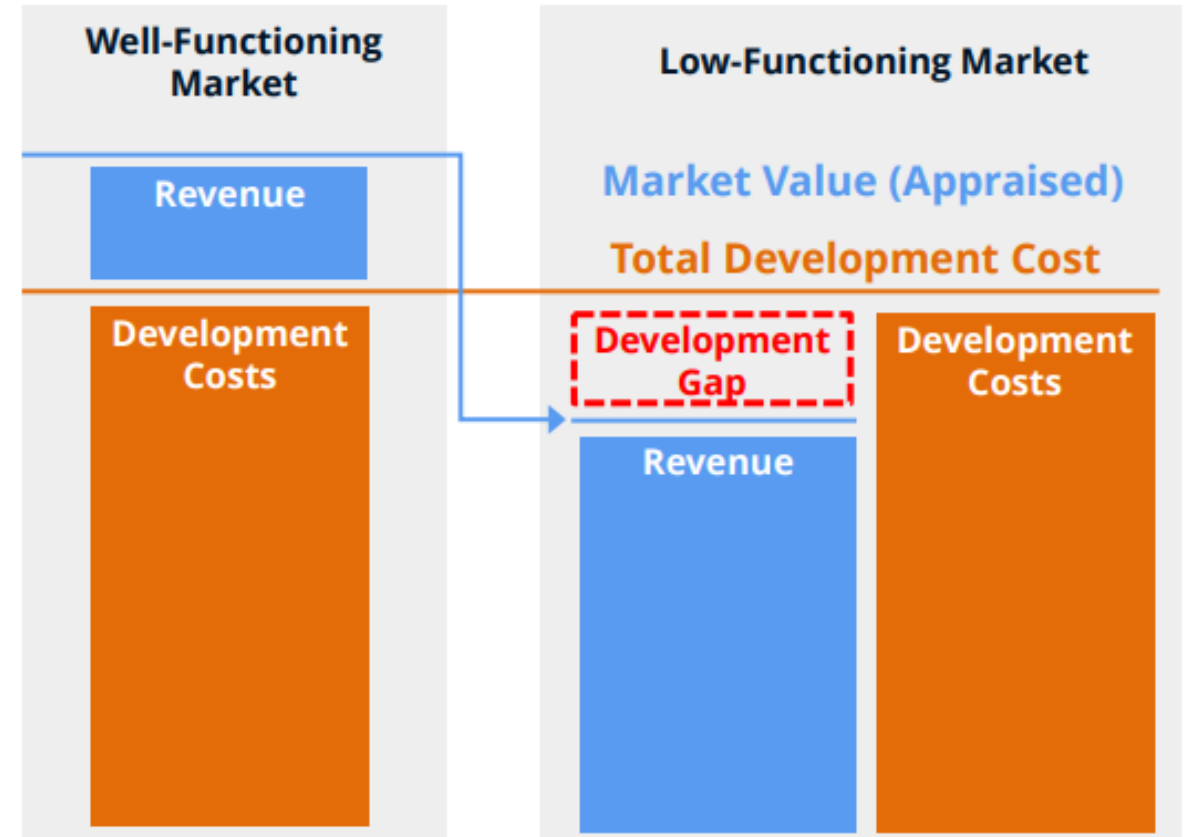
**WE CANNOT SUBSIDIZE
OUR WAY TO SOLVING
OUR HOUSING NEEDS.**

Meeting the Goal

In many areas in Memphis, it costs more to build or rehabilitate a home than the home is worth.

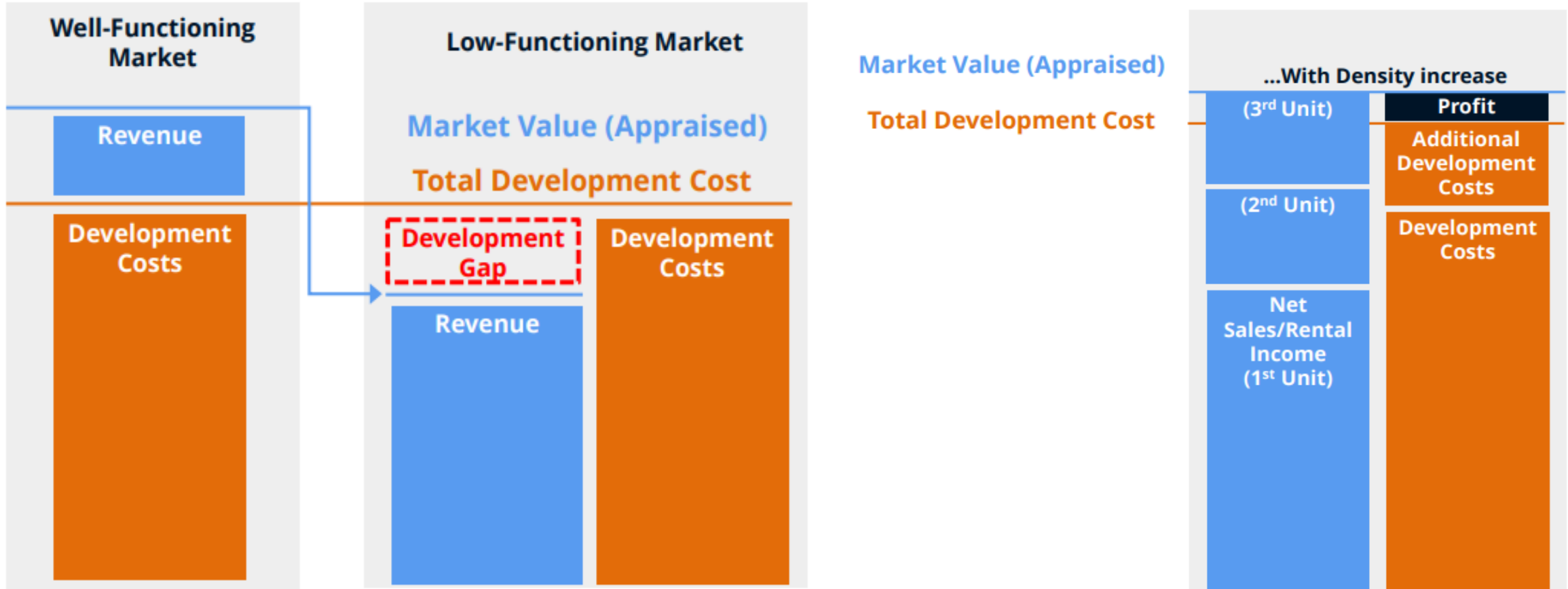
Barriers to a healthy housing market...

- **Housing Economics:** It costs more to build or rehabilitate a home than the home is worth in many areas within Memphis.
- **Financing Access:** Currently, there is a significant portion of property owners in Memphis that cannot access housing financing.
- **Public & Private Commitment:** The need for affordable housing is several orders of magnitude greater than the funding available for it.



Meeting the Goal

In these areas, more units are needed to make a project work.



Meeting the Goal

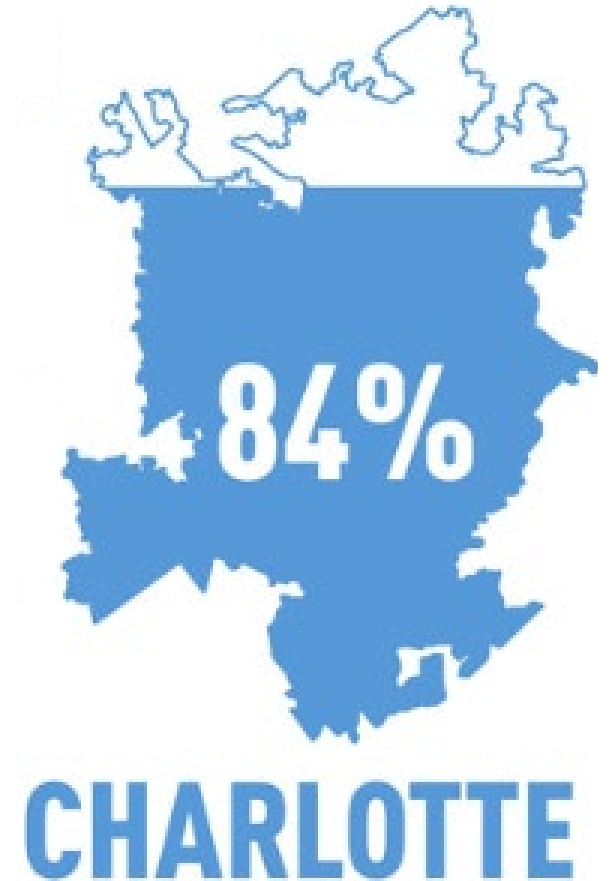
Has this been done elsewhere? In 2022, Charlotte updated their zoning to allow up to 4 units in all residential neighborhoods, or **84%** of land in the city.

How Charlotte has done since...

- From 2022-2025, population in the city grew by 7.4% while metro growth was 7.1%.
- In the preceding three-year period from 2019-2022, population in the city grew by 1.4% while metro growth was 3.5%

Compare this to Nashville...

- Only 10% of land in Nashville allows up to 4 units on a lot.
- From 2022-2025, population in the city grew by 4.7% while metro growth was 6.1%.
- In the preceding three-year period from 2019-2022, population in the city grew by 6.2% while metro growth was 7.1%



Meeting the Goal

How many units are these?



Meeting the Goal: Regulation and Infrastructure

Proposed:

- Administrative review in target areas
- Streamlined sewer tap permits
- Flexible process for design of utilities

Planning:

- Reduced cost to connect to sewer
- Public pre-approved plans

In Development:

- Comprehensive UDC update
- Administrative subdivision approval
- Combined planning and engineering site plan review process

Completed:

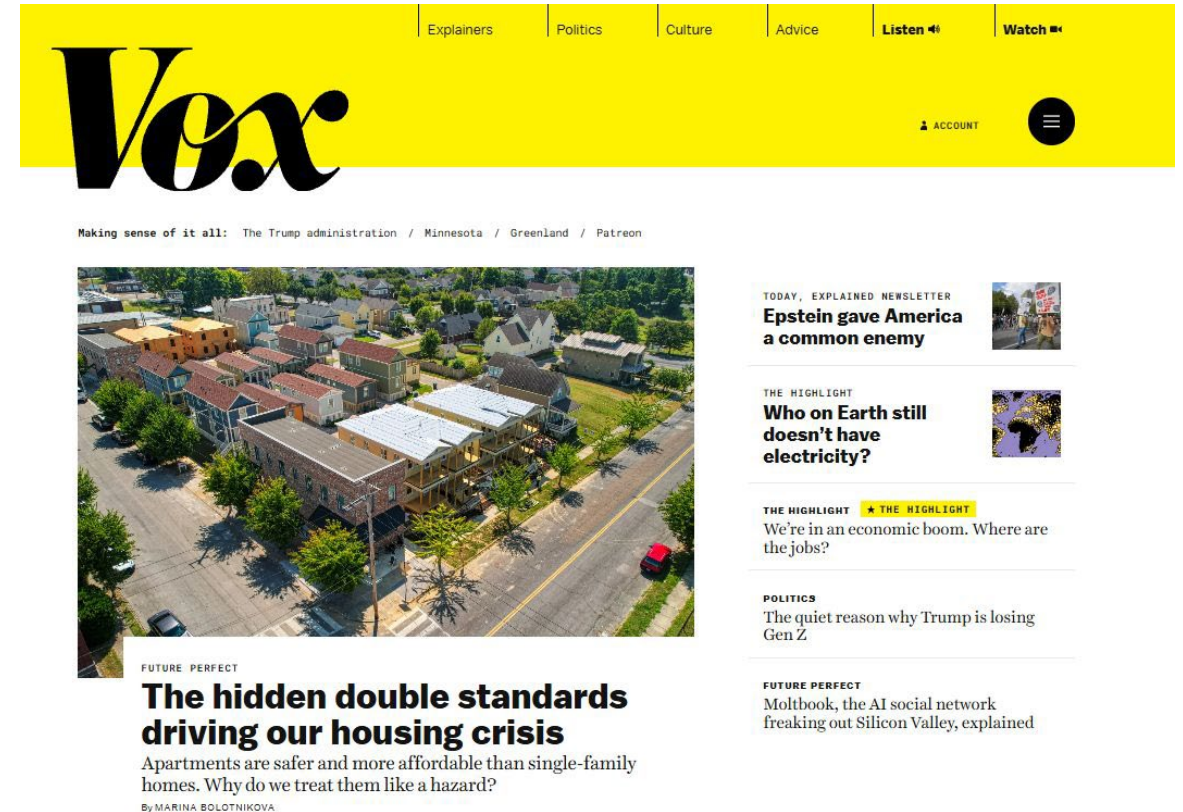
- Missing middle building code amendments
- Updated utility incentives for affordable housing
- Plan pre-approval process
- Zoning updates for lot size and orientation requirements and ADUs

Meeting the Goal: Regulation and Infrastructure

Memphis has become a national leader in developing new solutions to address housing supply challenges through regulatory reforms.

Where we're ahead...

- First major U.S. city to comprehensively identify zoning, building, fire, subdivision, utility, and infrastructure barriers to middle-scale housing.
- Adopted nationally recognized reforms allowing more housing types in existing neighborhoods while maintaining safety standards.
- Created a model for other cities seeking to address housing affordability through supply-side reforms.



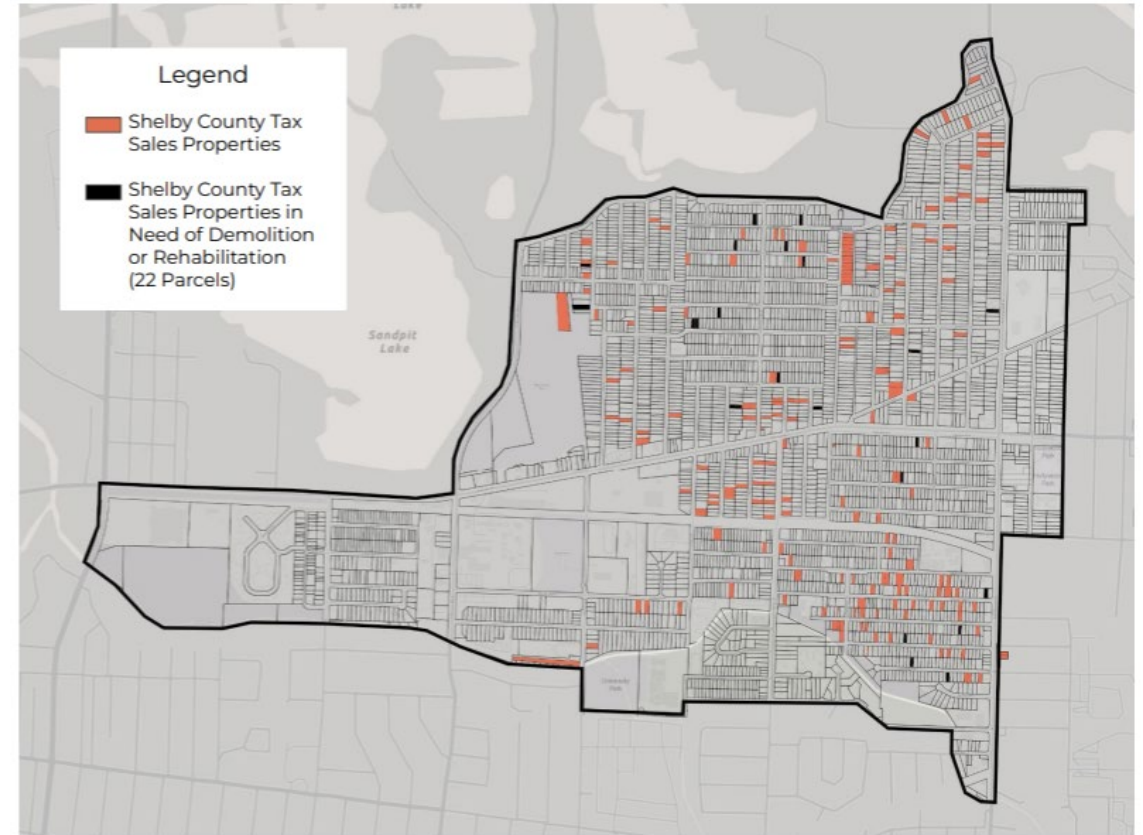
Meeting the Goal: Land Availability

Proposed:

- Transfer of land bank lots from County to City in the Hyde Park area
- Identify opportunities to expand programs focused on title reform
- Establish an heir title assistance program
- Partner with churches, schools, and other institutional owners

Completed:

- Evaluation of vacant or underutilized parcels for greatest redevelopment potential
- Finalize and adopt the BuildingHome program
- Coordination/aggregation of publicly-owned land for housing development



Available "Building Home" Parcels in Hyde Park
 (Source: Data from Shelby County Land Bank.
 Graphic created by Self + Tucker Architects)



Meeting the Goal: Funding and Financing

Proposed:

- Establish a loan loss reserve fund in cooperation with local banks and foundations
- Explore bond issuance strategies to support new housing development
- Establish an Opportunity Zone fund for new housing

Planning:

- Enable Residential Infrastructure Development Act (RIDA) for Memphis
- Use existing revolving loan funds to support new homeowners
- Enable new sewer connections in the county to support the Affordable Housing Trust Fund

In Development:

- Direct targeted housing investment in existing TIFs
- Augment developer training programs to expand local development capacity
- Establish program parameters for Affordable Housing Trust Fund

Completed:

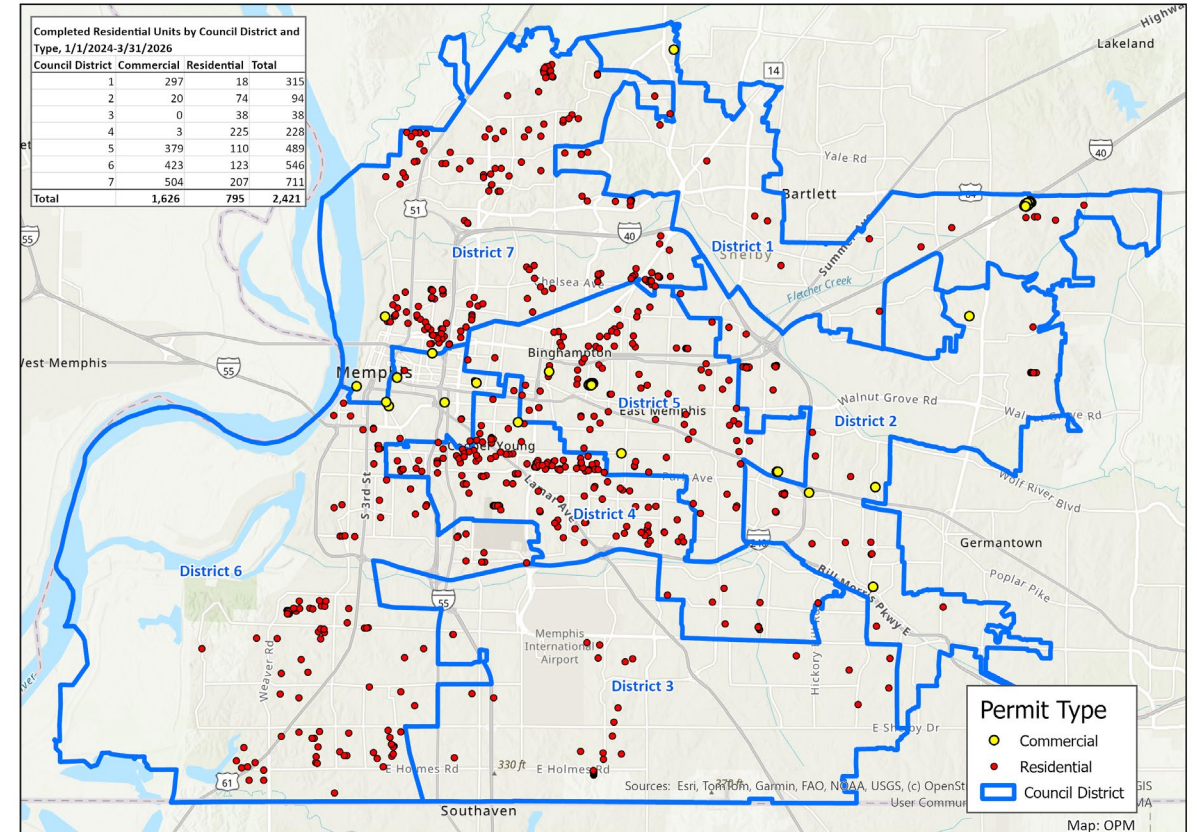
- Additional HOME dollars for housing: \$2M
- Additional CDBG dollars for housing: \$4M
- Additional down payment and mortgage assistance dollars: \$2M
- Additional middle income housing program funding: \$1M

Focusing the Goal

The majority of new units built since 2024 are along the Poplar corridor in Council Districts 5, 6, and 7.

What the patterns show...

- Multifamily projects concentrate heavily in this area
- Residential (single family and duplex) projects are highest in Council District 4 (225) and District 7 (207)
- There are an additional 925 affordable units in the pipeline being supported by one or more city agencies.
- There are an additional 778 mixed or market rate units in the pipeline being supported by one or more city agencies.



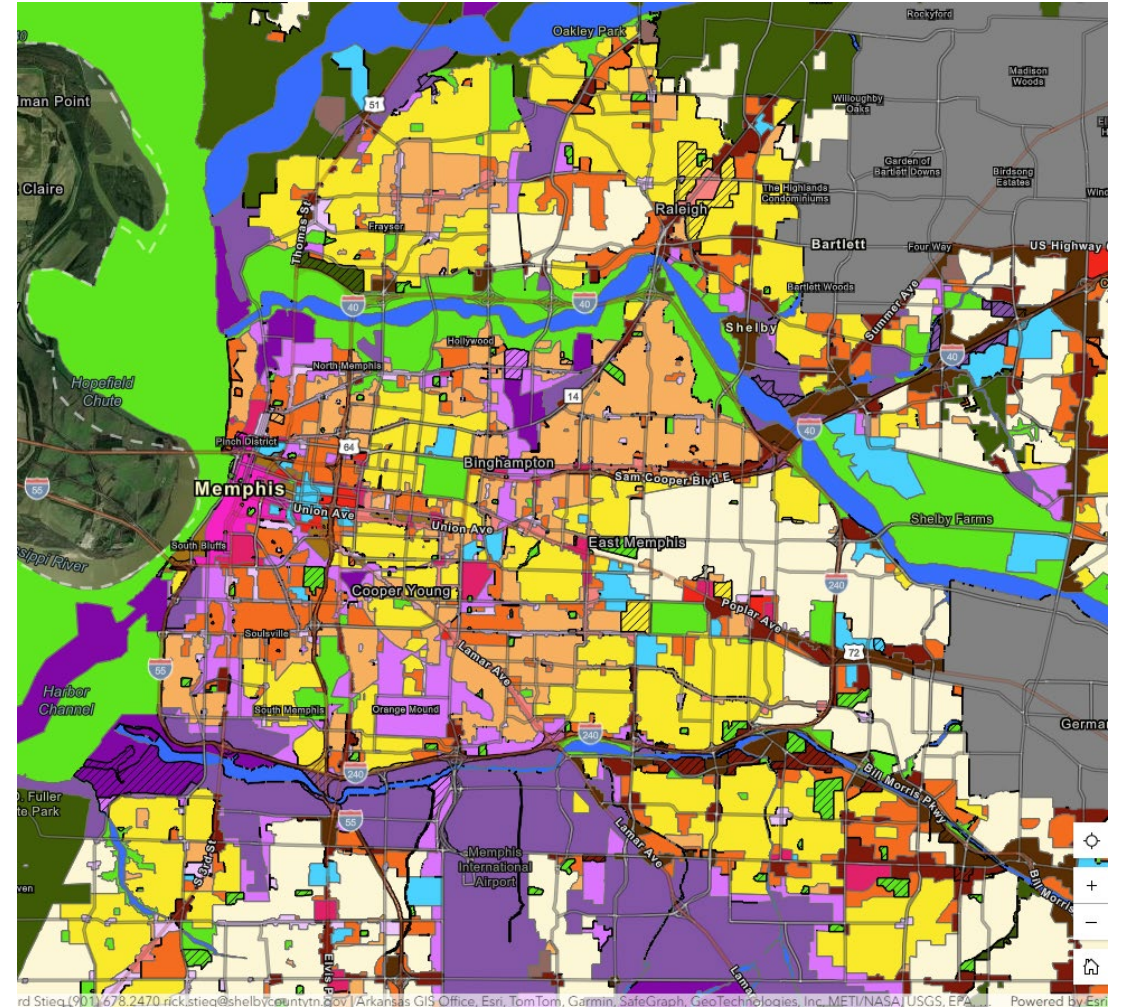
New Housing Units 1/1/2024-3/31/2026

Focusing the Goal

The administration is encouraging housing development throughout the city but there are key focus areas.

What the maps show...

- Areas identified in the comprehensive plan as “anchor neighborhoods” indicate strategic priority for housing focus.
- Areas identified as RN2, RN3, or RN4 (peach, orange, and brown on the map to the right) on the zoning map indicate code priority for housing focus.
- Areas included in TIFs indicate incentive priority for housing focus.





10,000 Housing Units by 2030

Advancing the Housing Policy Plan