Middle-Income Housing Pilot Program (MI-Pilot)

Launch Workshop
Benjamin L Hooks Central Library
September 10, 2026

City of MEMPHIS
HOUSING & COMMUNITY DEVELOPMENT

AGENDA

Greetings

Program Overview & Goals

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How to Apply

Q&A

City of MEMPHIS HOUSING & COMMUNITY DEVELOPMENT

Background

- This program aligns with and expands upon the following City of Memphis initiatives:
  - Memphis 3.0 Comprehensive 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

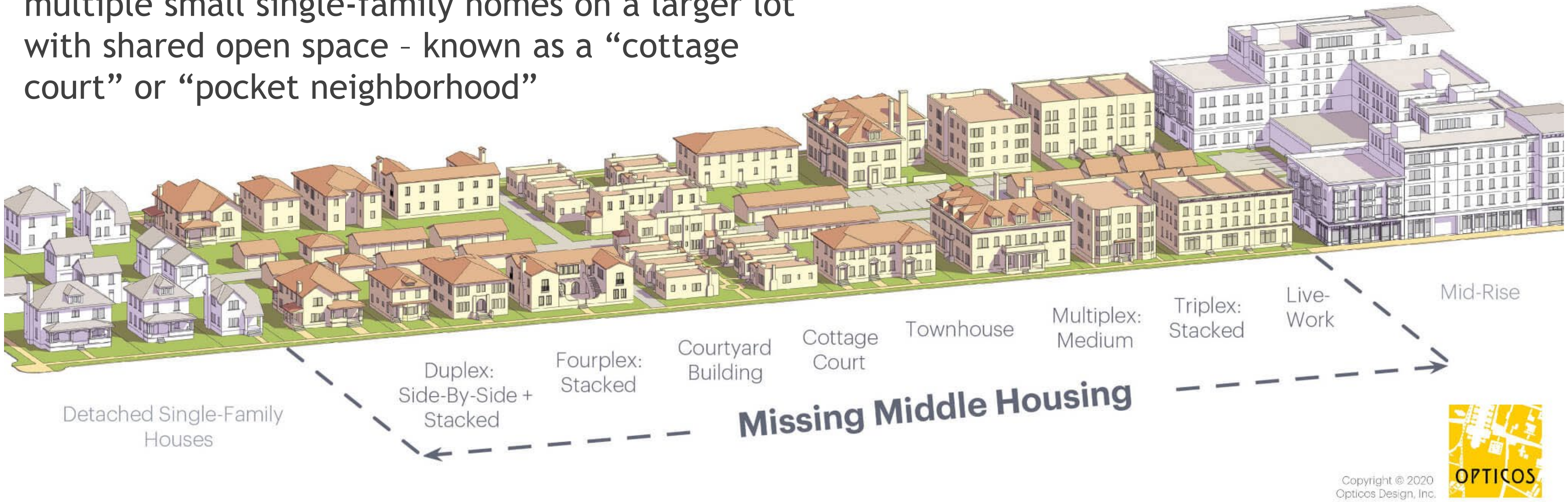
The Memphis Middle-Income Housing Pilot Program (MI-Pilot) promotes infill development of "missing middle" housing attainable to middle-income Memphians through financial support to local non-profit and for-profit developers by offsetting eligible infrastructure costs related to the construction or rehabilitation 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

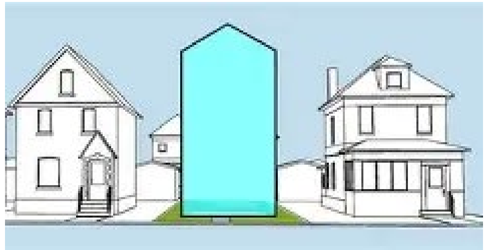
- "Missing Middle" housing: 2–10-unit structures (duplexes, townhomes, and small multifamily "large homes"), as well as infill single-family homes.
- Eligible single-family:
  - small single-family or "cottage" home on an infill lot with <45 ft width;
  - multiple small single-family homes on a larger lot with shared open space – known as a "cottage court" or "pocket neighborhood"

YIMBY Winnipeg and Jason Syvixay/Jennifer Becker



Definitions

- Eligible single-family projects focus on infill development and increased density:
  - 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”
  - multiple single-family homes on a larger lot that was previously zoned for one home
- Ineligible single-family projects:
  - conventional single-family subdivision of a larger lot



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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 $74,150 – $111,250
  - Housing is affordable if it costs up to 30% of monthly income

Affordable Sales Price			
	80% AMI	100% AMI	120% AMI
Recommended	$134,980	$179,230	$223,480
Maximum	$187,780	$245,190	$302,600

Affordable Rent Ranges		
Studio	$1,060	$1,250
1 BR	$1,155	$1,450
2 BR	$1,275	$1,650
3 BR	$1,580	$1,850
4 BR	$1,700	$2,000

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Program Details

- Application portal opens September 10th, 2026 at 5:00 PM and closes October 26th, 2026 at 5:00 PM
- $1,000,000 available
- Funding will be a grant
- Awards will be based on estimated amounts of eligible infrastructure costs associated with the project
  - Developers can be awarded “up to” the submitted estimated costs, final awarded amount will be based on actual eligible infrastructure expenses
  - All grant funding is provided as a reimbursement of eligible costs

Funding Example:

- Developer requests $200,000 of MI-Pilot funding for estimated eligible infrastructure costs for a 24-unit housing development project.
  - This estimate is based on the developer’s market research and previous project experience.
- Developer is awarded up to $200,000 in MI-Pilot funding.
- The project’s actual eligible infrastructure costs total $185,000. Developer submits invoices that reflect these actual costs.
- City reimburses developer $185,000.
  - Upon construction completion, the remaining $15,000 is unencumbered and the City’s contract with the developer is closed/complete.

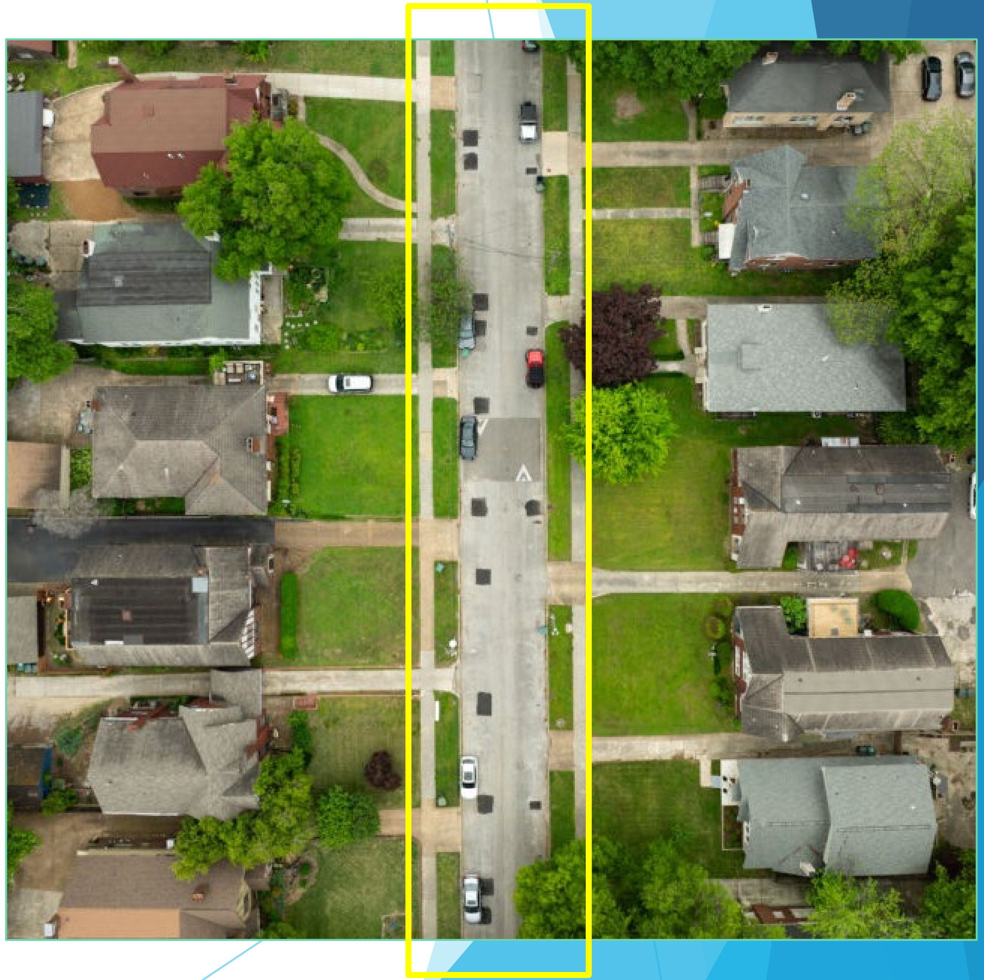
Eligibility

- 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 2–10-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 180 days of funding award

Eligible Costs:

This Round of MI-Pilot is funded with Capital Improvement Plan (CIP) funds. Eligible costs are municipally required infrastructure, including:

- Drainage Systems including stormwater, sewer, drains - not tie-ins to specific units
- Required flood control and retention
- Utility connections, extensions, installation, or relocation (electric, gas, heat, sewage and wastewater systems) – not rough-ins for housing units
- Parking facilities for general public use – not dedicated/required parking
- Public rights-of-way, curbs, roads, sidewalks, streets
- Lighting for public rights-of-way
- Plans review fees, building permit fees, non-reimbursable bond fees
- Civil and Mechanical Engineering fees related to public infrastructure



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Compliance and Monitoring

- Attainable rent prices will be monitored by submitting rent roles annually
  - Rent cannot increase >3% annually
- Affordability period of 5 years will be enforced through Restrictive Covenants for all projects
- All City of Memphis insurance requirements must be met at the time of contract
  - Sample Insurance Requirements are provided in the guidelines, final requirements will be determined following award approval
- HCD will perform inspections throughout the project, including:
  - No-start inspection prior to approval of funds
  - Progress inspections to verify each draw request
  - Final closeout inspection

Previous MI-Pilot Projects

APPLICATION INFORMATION

Application Components

- Organization/ Agency Information
  - Development Experience
  - Agency Budget
- Project Information
  - Budget Narrative
    - Budget Worksheet
    - Pro Forma
  - Funding Commitment Letters
  - Project Narrative
    - Neighborhood/ Market Description
    - Introductory Site Plan

Required Documents Checklist

- 501c3 Certification (if applicable)
- Funding Commitment Letters
- Budget Worksheets 1: Agency Budget (non-profit) or Most Recent Tax Return (for-profit) (template provided in application)
- Budget Worksheets 2: Project Budget (template provided in application)
- Project Budget Justification Narrative
- Pro Forma (templates provided in application)
- Needs Assessments/Market Study
- Development Team Staff: Resumes, project role, salaries, credentials, etc. (as applicable)
- Documentation of Site Control
- Current Site Conditions (Photos)
- Preliminary Site Plan
- Any additional attachments (if necessary)

Financial Reporting

A	B	C	D
APPLICANT/AGENCY BUDGET: TOTAL AGENCY REVENUES AND EXPENDITURES			
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.			
Agency Name:			
Agency Fiscal Year:			
Revenue	**Actual FY2025 Budget**	**Current FY2026 Budget**	**Estimated FY2027 Budget**
Agency Fund-raising	0	0	0
Donations	0	0	0
Government Grants (Public)	0	0	0
Loans	0	0	0
Non-Gov't Grants	0	0	0
Fees for Services	0	0	0
Other Income: (Specify Source)	0	0	0
Other Income: (Specify Source)	0	0	0
Other Income: (Specify Source)	0	0	0
Total Revenue (A)	**0**	**0**	**0**
Expenditures	**Actual FY2025 Budget**	**Current FY2026 Budget**	**Estimated FY2027 Budget**
Salaries	0	0	0
Employee Taxes & Benefits (Fring	0	0	0
Professional Fees	0	0	0
Contracted Services	0	0	0
Subscriptions/Memberships	0	0	0
Communications	0	0	0
Materials and Supplies	0	0	0
Occupancy/Rent	0	0	0
Local Transportation	0	0	0
Client/Essential Services	0	0	0
Major Equipment Purchases	0	0	0
Bookkeeping/Audit	0	0	0
Bank Fees & Interests	0	0	0
Utilities	0	0	0
Postage	0	0	0
Phone Services	0	0	0
Other Expense: (Specify Type)	0	0	0
Other Expense: (Specify Type)	0	0	0
Other Expense: (Specify Type)	0	0	0
Other Expense: (Specify Type)	0	0	0
Total Expended (B)	**0**	**0**	**0**
Balance (A-B)	**Actual FY2025 Budget**	**Current FY2026 Budget**	**Estimated FY2027 Budget**
Revenue - Expenditures	**0**	**0**	**0**

DEVELOPER'S CASH FLOW PROFORMA

Developer Name:

Project Name:

	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	YR11	Y
REVENUES												
Gross Residential Rent	0	0	0	0	0	0	0	0	0	0	0	
+ Other Income	0	0	0	0	0	0	0	0	0	0	0	
= GROSS INCOME	0	0	0	0	0	0	0	0	0	0	0	
- Vacancy Residential	0	0	0	0	0	0	0	0	0	0	0	
= EFFECTIVE GROSS INCOME	0	0	0	0	0	0	0	0	0	0	0	
- OPERATING EXPENSE												
Management Fee	0	0	0	0	0	0	0	0	0	0	0	
Accounting/Legal	0	0	0	0	0	0	0	0	0	0	0	
Trash	0	0	0	0	0	0	0	0	0	0	0	
Utilities (Gas, Water, Sewer, Electric)	0	0	0	0	0	0	0	0	0	0	0	
Maintenance	0	0	0	0	0	0	0	0	0	0	0	
Grounds	0	0	0	0	0	0	0	0	0	0	0	
Elevator	0	0	0	0	0	0	0	0	0	0	0	
Administration	0	0	0	0	0	0	0	0	0	0	0	
Supplies	0	0	0	0	0	0	0	0	0	0	0	
Property Taxes (PILOT)	0	0	0	0	0	0	0	0	0	0	0	
Total Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	
- RESERVE DEPOSITS	0	0	0	0	0	0	0	0	0	0	0	
= NET OPERATING INCOME (NOI)	0	0	0	0	0	0	0	0	0	0	0	
- DEBT SERVICE												
Amortized Loan Payments	0	0	0	0	0	0	0	0	0	0	0	
Interest Only Loan Payments	0	0	0	0	0	0	0	0	0	0	0	
Deferred Loan Payments (calc pmt)	0											
- TOTAL DEBT SERVICE (D/S)	0	0	0	0	0	0	0	0	0	0	0	
= CASH FLOW (CF)	0	0	0	0	0	0	0	0	0	0	0	

Assumptions - Change/Yr	
Residential Rent Rate of Increase	0.00%
Other Income Rate of Increase	0.00%
Expenses Rate of Increase	0.00%
Property Tax Rate of Increase	0.00%
Reserve Deposits Rate of Increase	0.00%

Vacancy	
Res Yr 1	0.00%
Res Yr 2	0.00%
Res Yr 3	0.00%

Scoring

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

- Threshold Criteria (90 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 (45 Points)

- Long-term Affordability
- Alignment with Anchor Strategy
- Energy-efficiency
- Universal Design & Visitability
- Connectivity & Livability

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

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 2-10 unit multi-family and infill multi-family housing
- Financial assistance is in the form of a grant
- Housing produced through the MI-Pilot Program can be for sale or rent
- Units must be attainable for moderate/middle-income households – earning 80-120% AMI

The application for MI-Pilot funds will open on September 10, 2026 at 5:00 PM and close on October 26, 2026 at 5:00 PM

MI-Pilot Required Documents Checklist
MI-Pilot Program Guidelines R3
MI-Pilot Online Application Portal
MI-Pilot R3 Workshop Presentation
MI-Pilot Workshop Recording

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Application will become live on HCD's website on Thursday, September 10th 2026 at 5:00pm 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

Applications must be submitted by Monday, October 26th 2026 via the electronic submission portal.

Submission Process & Tips

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

Application is through Neighborly

- Create an account with email and password
- Click “complete & continue” and “save” throughout the application to resume later until you are ready to submit as final

If additional people need to work on the application click “Users” to give them access

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

Print a copy of the application for your records

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Questions?

Thank you for Attending!

For More Information Contact

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