

2026: **THE STATE OF MEMPHIS HOUSING**

FULL REPORT

INNOVATE MEMPHIS
DELIVERING CIVIC SOLUTIONS

THE UNIVERSITY OF MEMPHIS.
Memphis Applied Research and Community Action Institute

ACKNOWLEDGEMENTS

About the Authors

Innovate Memphis is a nonprofit that develops and delivers bold solutions to some of the most pressing urban challenges in Memphis. Our organization advances programs that enhance the lives of Memphians and elevate the public good. We focus on a small number of challenges, gain deep insight, and then apply innovation, demonstration, and incubation principles on a scale that reduces risk and finds a clear path to success. This model has proven results in youth gun violence, neighborhood economic vitality, and public service delivery. Innovate Memphis has led many housing data and research initiatives over the past decade including our interactive Memphis Property Hub mapping tool, Data Midsouth open civic data catalog, Bluff City Snapshot to measure blight city-wide, and the 2020 State of Memphis Housing report.

University of Memphis Applied Research and Community Action (MARCA) Institute is a community development-focused research and training network based in the School of Urban Affairs and Public Policy at the University of Memphis. The mission of MARCA is to conduct interdisciplinary research with community partners to advance knowledge on urban conditions, development, and resident well-being in the Midsouth.

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SECTION 1

WHERE MEMPHIS STANDS

EXECUTIVE SUMMARY

Over the last few years, news stories and industry reports have pointed to a growing housing crisis in the United States. Challenges with housing production include high interest rates, rising costs of materials and labor, and global economic uncertainties related to tariffs and the supply chain. On the demand side, wages are not keeping up with inflation, and a rise in investor-owned properties runs the risk of raising rents and decreasing access to affordable home ownership for residents. Memphis is no exception. Most national coverage of the housing affordability crisis focuses on cities with extremely limited housing and land supply where middle- and low-income residents are being priced out by wealthier ones. While this problem exists in some pockets of Memphis, our city's affordability crisis is driven by the challenges of building housing that is financially accessible for extremely low-income residents and increasing the quality of our existing housing stock, especially in communities experiencing high vacancies and prolonged disinvestment.

In February 2026, City of Memphis Mayor Paul Young announced an ambitious goal in response to this crisis: create an additional 10,000 housing units by 2030. This goal includes building new housing and bringing existing unoccupied units back online through renovations. It encompasses affordable, market rate, single-family, and multi-family housing types. Achieving this goal is critical for Memphis' short-term stability and long-term growth, as it can increase the supply of affordable housing across income levels, strengthen quality to preserve aging housing stock, and increase proximity to neighborhood assets that help communities thrive through thoughtful planning and development. This State of Housing report focuses on these three themes – Affordability, Quality, and Density – that represent Memphis' biggest challenges and opportunities when it comes to strengthening our housing landscape. The findings and recommendations that follow result from analyzing over 15 data sources, 38 stakeholder interviews, and local and national best practices.

Affordability | Incomes aren't keeping pace with rents and home values, and the deepest gap is at the lowest incomes.

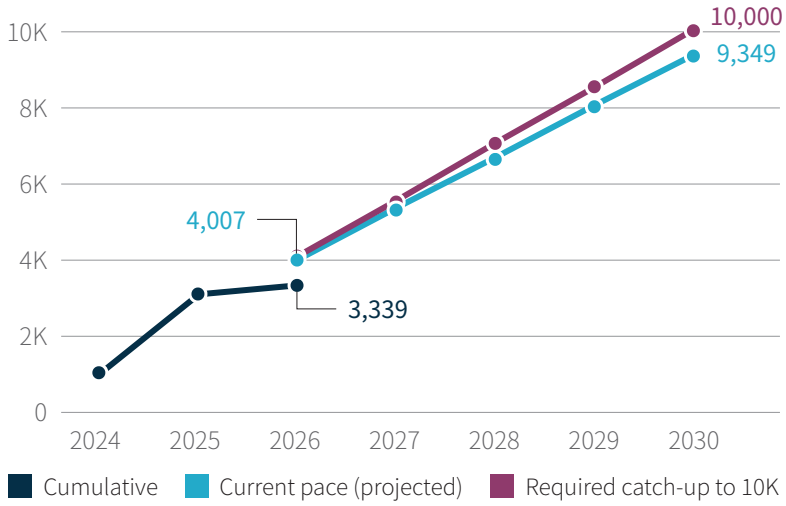
Quality | Much of the housing stock is aging, and repair & preservation resources can't keep up with need.

Density | New building and demolition are geographically mismatched, and incentives aren't place-based.

FIGURE 1

PROJECTED VS. REQUIRED PACE OF HOUSING PRODUCTION TOWARD THE 10,000-UNIT GOAL, 2024–2030

At this pace, Memphis would reach 9,349 units by the end of 2030 and need to increase annual production by 145 units per year to reach the goal.

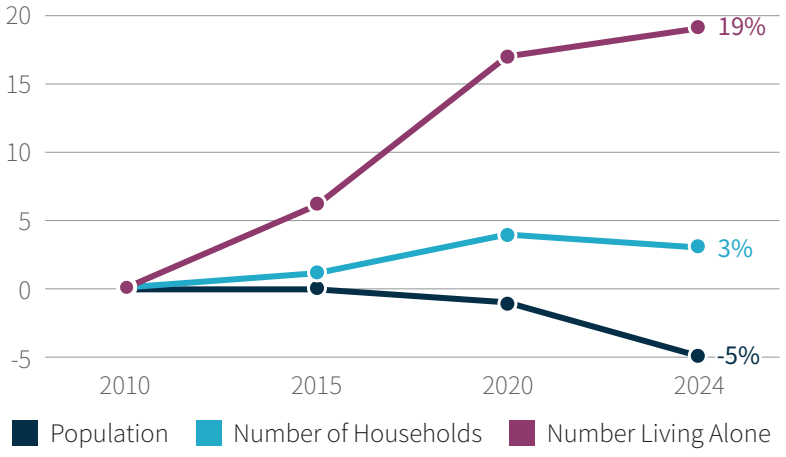


Source: City of Memphis Housing & Community Development completed projects and Planning & Development Permits through June 30, 2026

FIGURE 2

PERCENT CHANGE IN MEMPHIS POPULATION AND HOUSEHOLDS

Despite losing population overall, the number of Memphis households has increased due to a larger number (99,000) and percentage (39%) of residents living alone.



Source: Census ACS 5-year estimates for population, household count, single person households (2024)

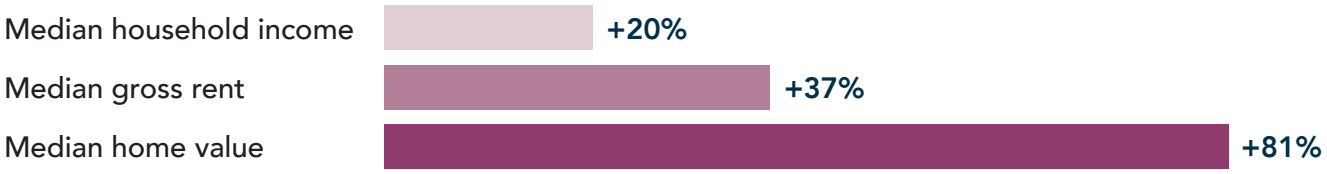
The Housing Landscape

Between January 1, 2024, and June 30, 2026, 3,339 units have been produced toward the City of Memphis' 10,000-unit goal. At this pace, we will reach 9,349 units by the end of 2030 and need to increase annual production by 145 units per year to reach the goal. Another 863 housing units are currently in the development pipeline based on permitting activity. To date, 65% of renovated units reported for the 10K goal are for affordable housing, and 21% of new units are subsidized at affordable rates. Here, affordable units are those subsidized by the City's Housing & Community Development division; the Health, Educational & Housing Facility Board; or Low Income Housing Tax Credits (LIHTC). About a third of newly built units are single family homes, while the remaining two thirds are multifamily, including apartments, townhomes, and duplexes.[1]

Despite losing population overall, the number of Memphis households has increased due to a growing number and percentage of residents living alone (99,000, 39%). Between 2010 and 2024, Memphis' total population decreased by nearly 36,000, but the number of households *increased* by 6,600, meaning demand for housing has grown over time, especially for smaller one-bedroom and studio units that have made up a small portion of our housing stock until now. The rise in people living alone is also a national trend that reflects changing norms about marriage, children, and multi-generational living situations as well as an aging population, although the national share (30%) of people living alone is smaller than that of Memphis (39%).[2] Note that this national and local data does not capture all situations where people may be cohabitating, underreporting household size, or temporarily staying with friends or family when facing housing loss.

AFFORDABILITY

CHANGE, 2019–2024



Between 2019 and 2024, median household incomes increased by 20%, but median gross rent and median home values increased by 37% and 81% respectively.[3] These averages make affordability a challenge across the income spectrum, but residents at the lowest income levels are experiencing the greatest financial strain and shortages. For the 37,000 Memphis households considered extremely low income (for example, a family of four earning less than $33,000 in 2026[4]) there is a shortage of 28,000 affordable housing units.[5] In other words, more than 3 in 4 households in this group do not have access to an affordable and available home, putting them at risk for overcrowded living situations with others, and/or at risk of homelessness. Affordable housing production has declined in Memphis since the 2010s; a key reason is that the City is receiving less federal funding such as HOME and Community Development Block Grants (CDBG) than it has in the past. Additionally, many housing grants, subsidies, and incentive programs have not adjusted their formulas to match inflation.

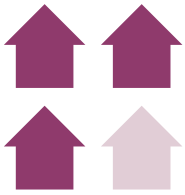
As noted in past State of Housing reports, the home ownership rate continues to decline. Since 2010, about 8% of single-family homes have been converted to rentals, and Memphis has been a majority-renter city since 2013. Black households have been disproportionately affected by the transition from owner-occupied to rental. Shelby County has lost 8,000 Black owner-occupied households while gaining 20,000 Black renter households.[13] The shift to rentals and rising housing costs overall mean increased risk of eviction and housing instability. Neighborhoods where a high percentage of residents pay 30% or more of their income on rent have three times as many eviction filings as neighborhoods with the lowest housing cost burden.[9]

The high demand for affordable housing in Memphis is not simply due to a lack of affordable housing development, but because of the economic challenges many residents face. Nearly 1 in 4 Memphians live in poverty. Solving these affordability problems requires a multi-faceted approach. First, residents must have better access to direct financial assistance, opportunities to increase income, and a variety of housing types that meet their needs and budgets. Second, those building affordable housing should navigate a streamlined, lower-cost pre-development process and have access to inflation-adjusted subsidy funding and incentives to reduce the costs passed on to residents.

28,000

Affordable housing gap

Units needed for Memphis's 37,000 extremely low income households



More than 3 in 4

extremely low income households are spending over 30% of their income on housing, at risk for overcrowded living situations with others, and/or at risk for homelessness.

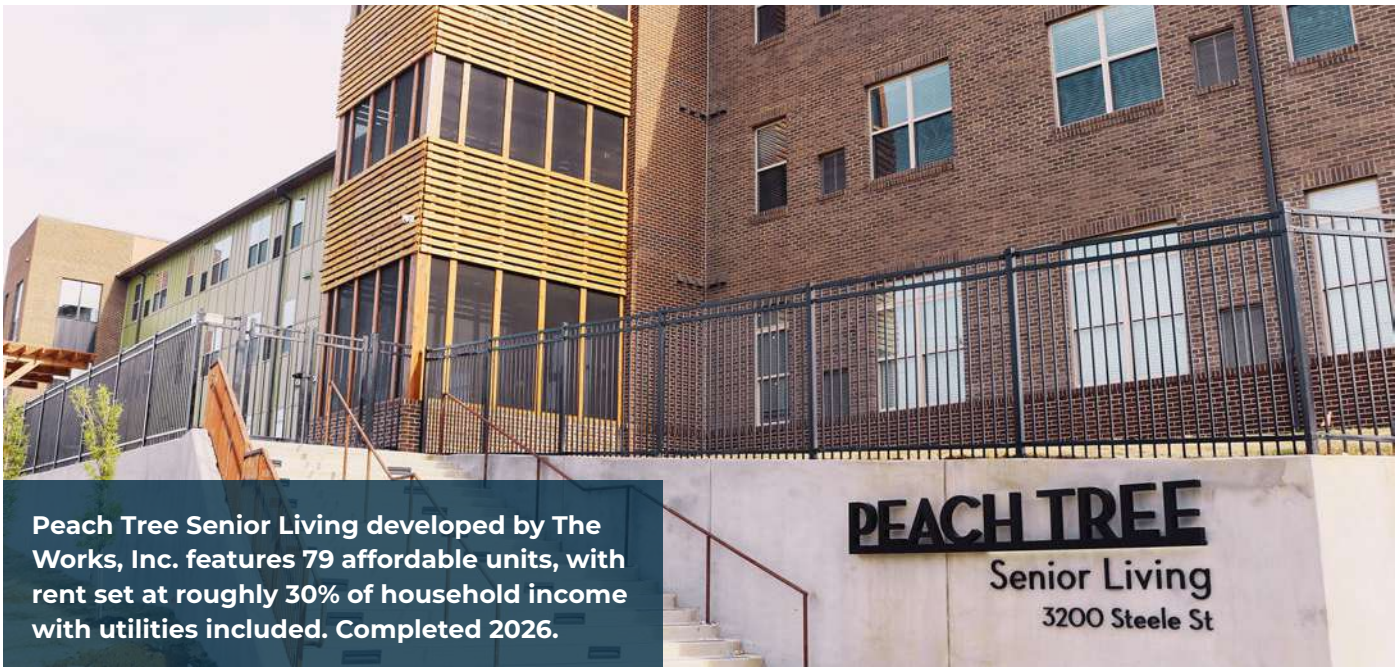


QUALITY

If Memphis' housing quality issues could be summed up in a word, it would be *aging*. Nearly 80% of Memphis' single-family homes are 50 years old or more[6], and the number of residents ages 65 and older has grown since 2019, while the number of residents ages 18–24 and 25–34 has each fallen by more than 10%.[3] Together, these trends indicate a growing need for home repairs and preservation, especially among seniors on fixed incomes who cannot always maintain homes on their own. Yet both the residents and program administrators we interviewed for this report confirmed that the needs are much greater than the resources currently available, resulting in long waitlists for repair program requests and downstream issues like code enforcement backlogs and an increased number of abandoned and condemned properties.

Challenges with quality also extend to rental properties, where many residents reported concerns about landlords' failures to complete timely maintenance and repairs. About 45% of commercial rental properties are 50 years old or more[6], and the prevalence of out-of-town owners and management companies can make it more difficult for those responsible for maintenance to respond quickly to potential safety hazards and be held accountable for code violations. These situations heighten the risk of eviction for tenants who withhold rent until repairs are completed (which does not protect tenants from eviction) or face retaliation for reporting concerns about housing quality to public officials.

We combined several indicators for housing neglect and low quality and estimate that nearly 23,000 (7%) of all residential properties in Shelby County are at high risk. They are also geographically concentrated, as over 75% of these properties are in just ten zip codes.[7] When neglected, vacant, and poor-quality properties are clustered together, it creates major barriers to increasing quality because developers and homeowners face significant gaps between appraisal value and the cost of repair; thus, they have limited access to the financing needed just to break even on improvements. Solutions to improve housing quality should focus on earlier intervention with aging properties starting to deteriorate, increased flexible funding for repair and preservation in neighborhoods with the greatest need, and the right mix of incentives and accountability measures to ensure rental owners and managers maintain quality housing for tenants.



Peach Tree Senior Living developed by The Works, Inc. features 79 affordable units, with rent set at roughly 30% of household income with utilities included. Completed 2026.

DENSITY

Aging housing stock, lower home values, poverty, vacancies, persistent disinvestment, and rent-burdened Memphians are geographically concentrated. Moreover, while it's necessary to demolish properties when they are beyond the point of repair, the neighborhoods where demolitions occur most often are largely different from the ones seeing new houses built. When trying to rebuild through infill on vacant lots, developers report a wide range of costs and risks they must navigate such as title clearance, infrastructure repair, and utility installation. Without coordinated investment and development to stabilize communities with high net housing loss, these patterns will continue to make it harder for residents to find affordable, quality housing and more costly to address downstream problems like prolonged vacancy and population loss.

While the City's Memphis 3.0 comprehensive plan is designed to strengthen density and coordinate new development around designated neighborhood anchors, recent housing development activity is not closely connected to this plan. Since 2020, only 16% of new housing has been built within a half mile of 3.0 anchors.[1]

In interviews, developers confirmed most of the affordable housing incentives they use like the Low-Income Housing Tax Credits (LIHTC) and Payment in Lieu of Tax (PILOT) are not place-based, so they are not always making development decisions with the 3.0 plan or "big picture" community development in mind. Another barrier is a lack of available land zoned for housing, especially multi-family developments across the city or near designated community anchors. While multi-family development has increased in recent years, zoning for this type of housing is still very limited, reducing residents' variety of housing options and price points even as household size and spending power have declined.

Memphis has seen successes in neighborhoods with dedicated funding and a holistic approach to community development. Key factors include preservation and repair, infill development, infrastructure investments, and direct resident supports that improve upward mobility. Scaling this model and allowing for a wider variety of zoning for multi-family housing and other community amenities would go a long way to stabilize neighborhoods that have historically struggled with disinvestment.

Key Recommendations

Based on stakeholder feedback and Memphis' current housing landscape trends, we propose the following solutions:

1. Use a data-driven **Early Warning System** that uses a combination of indicators on housing quality (ex: code violations, legal complaints), neglect (ex: tax delinquency, vacancy), and need (ex: cost burden and poverty rate) to intervene more quickly with houses at risk for poor quality. Provide focused support in high-cost burden areas where designated agencies identify vulnerable properties and proactively contact homeowners to connect them with flexible funding and services for home repair.

2. **Establish a mediation-based Memphis Housing Court** to prevent more evictions and navigate housing quality-related tenant-landlord conflicts. A special "housing court" docket would require the parties involved to submit documentation and a time-limited plan of action to resolve tenants' financial hardship issues and/or landlords' repair responsibilities.

3. Develop a **coordinated, rapid response plan across local agencies for vacant properties**. This approach would bring entities together such as City code enforcement, City and County landbanks, courts, and community development agencies more regularly to review the whole portfolio of vacant properties, diagnose root causes to address, and assign specific leads to act on issues ranging from disentangling property ownership to fast tracking repairs that are less expensive than demolitions.

4. Implement a **Small Landlord Support Program** that offers repair assistance to small landlords like grants or 0% interest loans to update and repair existing older homes in exchange for maintaining affordable rent and housing quality standards.

5. **Streamline pre-development processes and costs** for affordable housing initiatives to reduce the costs passed on to low-income residents. This requires improved coordination between many local agencies involved in planning, permitting, and utility and sewer installation. Creating a central project hub and decreasing review periods and steps can help.

6. **Scale up successes like the Community Redevelopment Agency's Tax Increment Financing (TIF) District model** in neighborhoods with high vacancies, cost burden, and housing insecurity rates. The TIF model includes dedicated funding to stack multiple interventions simultaneously, such as infill housing production, home repair, demolition paired with new development, and infrastructure investments.

7. Test **Housing Opportunity Zones** that allow the City to do zoning reform strategically. Prioritize small multi-family development in neighborhoods with high housing cost burden and demonstrated housing need. Pairing this zone reform with streamlined land access, subsidies, and infrastructure investments makes this intervention more likely to succeed.

8. **Create resident- and developer-facing Housing Concierge functions** that provide a single entry point for each group to navigate the resources and requirements for affordable housing programs. Invest in both 1) user-friendly online hubs that connect these groups to existing resources and help them complete application requirements; and 2) dedicated staff liaisons to coordinate interactions across agencies and troubleshoot roadblocks.

SECTION 2

THE AFFORDABILITY CRISIS

WHAT IT COSTS TO LIVE HERE

> ***Affordability? "To me, it means that somewhere I can live where me and my kids will be able to go outside, play, sit down, just relax and have fun and not having to worry about anything or nobody's trying to come in the yard and knowing I can pay, maintain the bills"*** *– Young adult renter in 38106*

There are different ways to think about affordability when it comes to housing. The most common way is based on federal Housing & Urban Development (HUD) guidelines that compare a household's monthly income and housing costs. The residents we interviewed thought about affordability in terms of their living expenses *and* the quality of life they want to have.



Belle | Mont is a 23-unit cottage court community completed in 2026.

According to HUD and most publicly supported housing programs, a housing unit is considered "affordable" when a household spends no more than 30% of their gross income on rent. Households paying above 30% of gross income in rent are considered cost burdened. By this measure, **53% of renter households in Memphis are cost burdened with 28% spending at least 50% of their income on housing**.[9] While Memphis rents appear reasonable in a national context, low incomes and a high level of income inequality mean a significant percentage of residents still cannot afford most of the housing stock that's available.

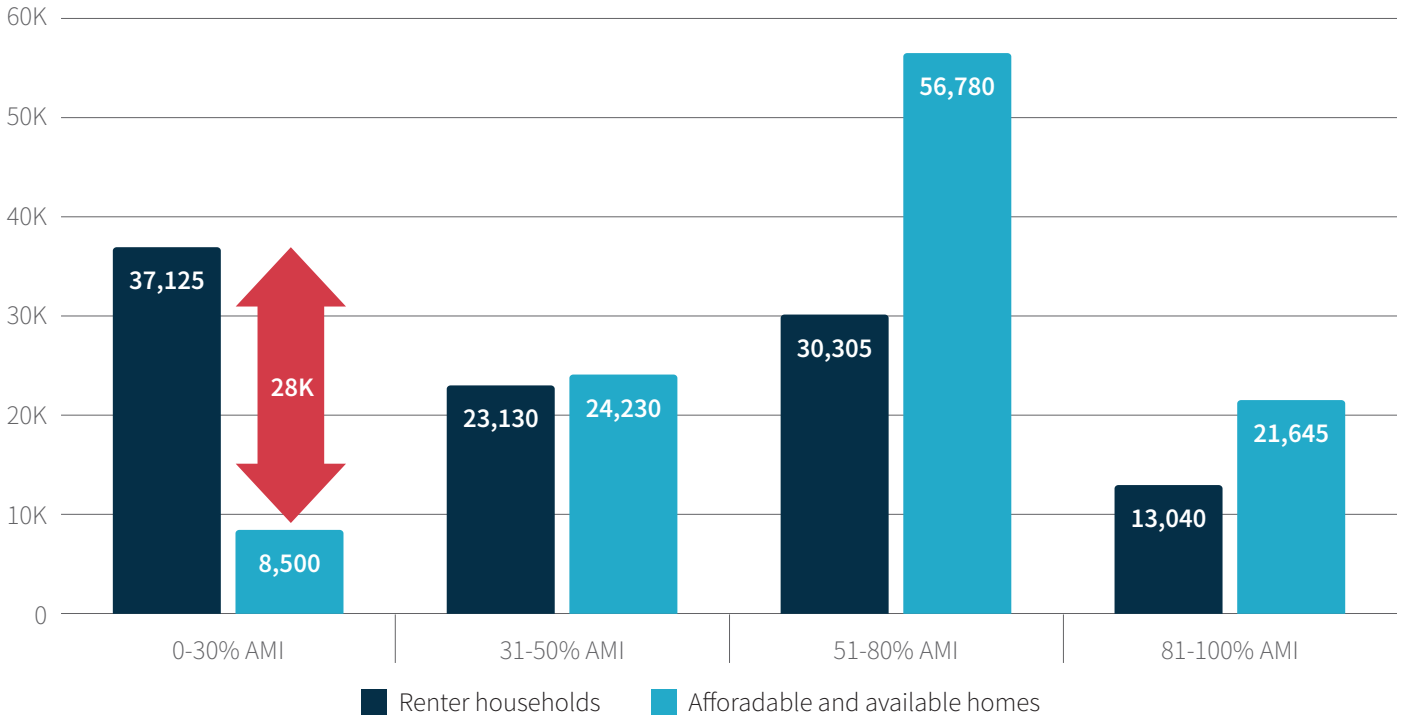
What is AMI?

HUD categorizes households' level of need by comparing their income with the Area Median Income (AMI) for each U.S. metropolitan area and adjusting for household size. Based on HUD's most recent estimates for 2026, the median income for a family of four in the Memphis area is roughly $92,700. A family of four earning $46,350 makes 50% AMI and is considered very low income. For someone living alone, the area median income is $64,900 and 50% AMI is $32,450.[4]

FIGURE 3

AFFORDABLE AND AVAILABLE RENTAL HOMES BY INCOME LEVEL, MEMPHIS

The shortage is most severe for the lowest-income renters. Households earning at or below 30% of Area Median Income (AMI) number 37,125 but have only 8,500 affordable and available homes, a shortage of 28,625.



Source: 2022 Memphis HUD Comprehensive Housing Affordability Strategy (CHAS) Data

Most affordable housing programs and incentives focus on improving access for families in the 60-80% AMI range. However, in Memphis the greatest shortage by far is for households earning less than 30% AMI. Within city limits, 37,000 households earn 30% AMI or less, and only 8,500 housing units are available at an affordable rent rate, creating a shortage of over 28,000 units.[5] (Note that all calculations and maps on affordable housing shortages in this report are based on HUD's 2022 data, the most recent year available that compares local housing costs with household income. Despite the lag, this source is considered the industry standard for most affordable housing research, grants, and programs for affordability gaps.) This shortage does not mean that Memphis simply needs to build 28,000 new units, though increasing housing that is affordable at this income level is part of the equation. It also means residents need direct housing assistance and opportunities to grow income so that they can afford existing housing options without living paycheck to paycheck.

This financial strain has only worsened due to high inflation in recent years. Between 2019 and 2024, median household incomes increased by 20%, but median gross rent and median home values increased by 37% and 81%, respectively.[3] Other indicators of financial distress and housing instability persist in Memphis. The Memphis Housing Authority offers choice vouchers to help low-income residents cover a portion of their monthly rent. After the 2022 waitlist application opened, more than 25,000 people applied



Malone Park Commons is a 35-unit community of cottages, small apartments, and live-work buildings. This "missing middle" housing development in Uptown makes rent more attainable. Developed by Jones Urban Development, completed in April 2026.

for the 10,000 spots.[8] Around the same time, eviction filings returned to pre-pandemic levels after COVID-era emergency rental assistance programs concluded. Shelby County averaged over 2,500 eviction filings per month in 2023 and 2024 compared to 2,181 in 2019. In the communities with the highest housing cost burden, there were 141.7 eviction filings per 1,000 households per year compared to 50.0 in the neighborhoods with the lowest burden over the past 10 years.[9] Foreclosures in the Memphis area have decreased significantly in recent years, but this may be a result of a local and national decline in home ownership and a growing socioeconomic divide between homeowners and renters.

Many residents interviewed shared how rising costs have made it more difficult to maintain stable housing and make tradeoffs with essential expenses.

As many residents explained, making a budget work can be difficult and requires making choices and sometimes sacrifices.

> ***"And you're trying to provide and put food on your table. Or you usually go to the grocery store with $100, and you can come out with a basket full of stuff. Now you go in there with $100, you may come out with 4 or 5 items, and you gotta try to figure out how I can make that into a meal for my kids."***
>
> *– Middle-aged resident & renter in 38107 (on how inflation was impacting her ability to buy groceries)*

PERSONA PROFILES

The profiles below help to demonstrate how affordability is shaped by various housing scenarios, household arrangements, and living expenses.[10]



Persona 1. Renee

$40,000 income and 54% rent cost

Renee is a widow with 2 middle school aged children. She works full-time as a certified nursing assistant at the VA hospital and takes care of her aging parents with the help of her brother. She and her children currently live in a 2-bedroom market rate apartment southeast of Audubon Park, in part to be close to her children's school. She bought an older-make car from her father several years ago when he stopped driving. Renee typically drops her children off at school and drives to and from work, as public transportation routes do not cover the areas she needs to travel.

Renee

Monthly Income After Taxes	$2,457
Monthly Expense	**Amount**
Rent	1,325
Utilities	150
Groceries	847
Transportation *Insurance, gas, and repairs*	331
Phone and internet	133
Medical (copay)	75
Church donation	80
Elder care for parents	55
Misc. (other expenses)	150
Total expenses	3,146
Remaining at end of the month	-689



Persona 2. Samuel and Aurora

$29,000 income and 34% rent cost

Samuel is 24 and married with no children. He is a cashier at a local high-end grocery store. His wife, Aurora, is 23 and a full-time student at the University of Memphis working on a degree in nursing. The couple shares a car, and typically Samuel drops Aurora at the University on his way to work and picks her up in the afternoon. Once a week, Aurora has a night class and will either get a ride home from a classmate or use a rideshare.

Samuel & Aurora

Monthly Income After Taxes	$2,141
Monthly Expense	**Amount**
Rent	725
Utilities	110
Groceries	517
Transportation *Insurance, gas, repairs, and rideshare*	363
Phone and internet	147
Medical (copay)	15
Misc. (other expenses)	150
Total expenses	2,072
Remaining at end of the month	114



Persona 3. Essie

$23,500 income and 32% housing cost

Essie is 70 years old. She worked part-time as an education assistant (teacher's aide) at a school in Memphis for 25 years and is now retired. She has a daughter and two grandchildren who moved to Arkansas but come to visit often. She and her husband bought a three-bedroom home fifteen years ago in South Memphis; they wanted room for the grandkids to visit. She was widowed 2 years ago and now lives alone. Essie relies on her husband's social security, which is about $23,500 a year, and about 45% AMI. She has a ten-year-old car she mainly uses for errands and transportation to her church, which she donates to weekly. Essie sends a little bit of money to her daughter every month to help support her grandkids.

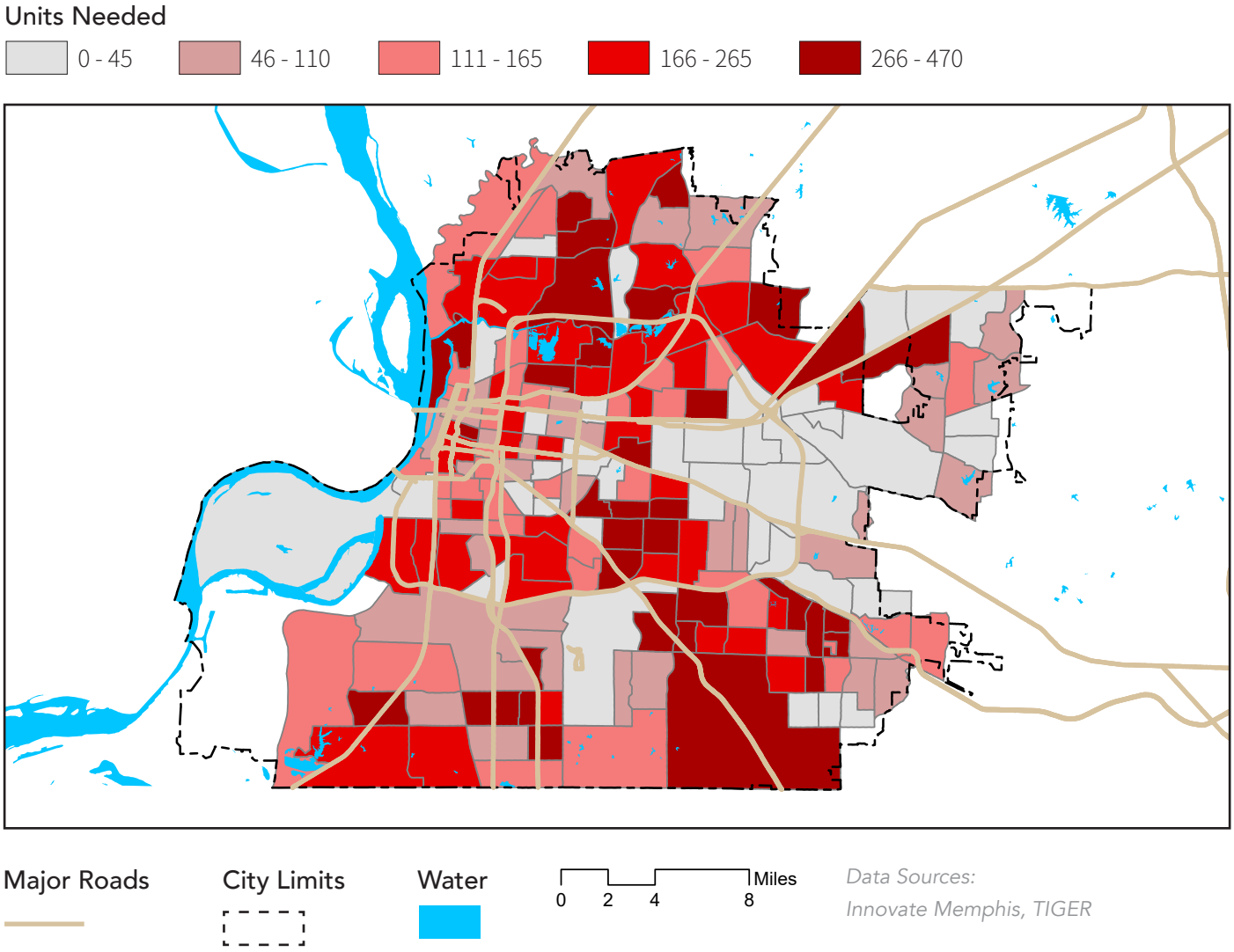
Essie

Monthly Income After Taxes	$1,958
Monthly Expense	**Amount**
Mortgage and insurance	625
Utilities	350
Groceries	300
Transportation *Insurance, gas, and repairs*	302
Phone and internet	50
Medicare plus medical expenses	253
Grandchildren and other expenses	120
Total expenses	2,000
Remaining at end of the month	-42

> ***"You cut down the utilities. The lights goes out at a certain time. No cooking at a certain time. But I'm not going to burn up, the air gonna stay on. Yeah, that's not going to happen. ...At a certain time the TV go off, you know what I'm saying? Sometimes, you know, kids, they're on TV all night. I'm guilty too sometimes. And I have to, you know, I just kind of cut, less washing. Cut it, you gonna do it once a week. Not every day you're washing something. Your pants get dirty, you throwing them in the washer? No, we're not doing that."***
>
> *– Senior resident & renter in 38106*

FIGURE 4

HOUSING UNIT SHORTAGE: NUMBER OF AFFORDABLE UNITS NEEDED FOR HOUSEHOLDS AT OR BELOW 30%



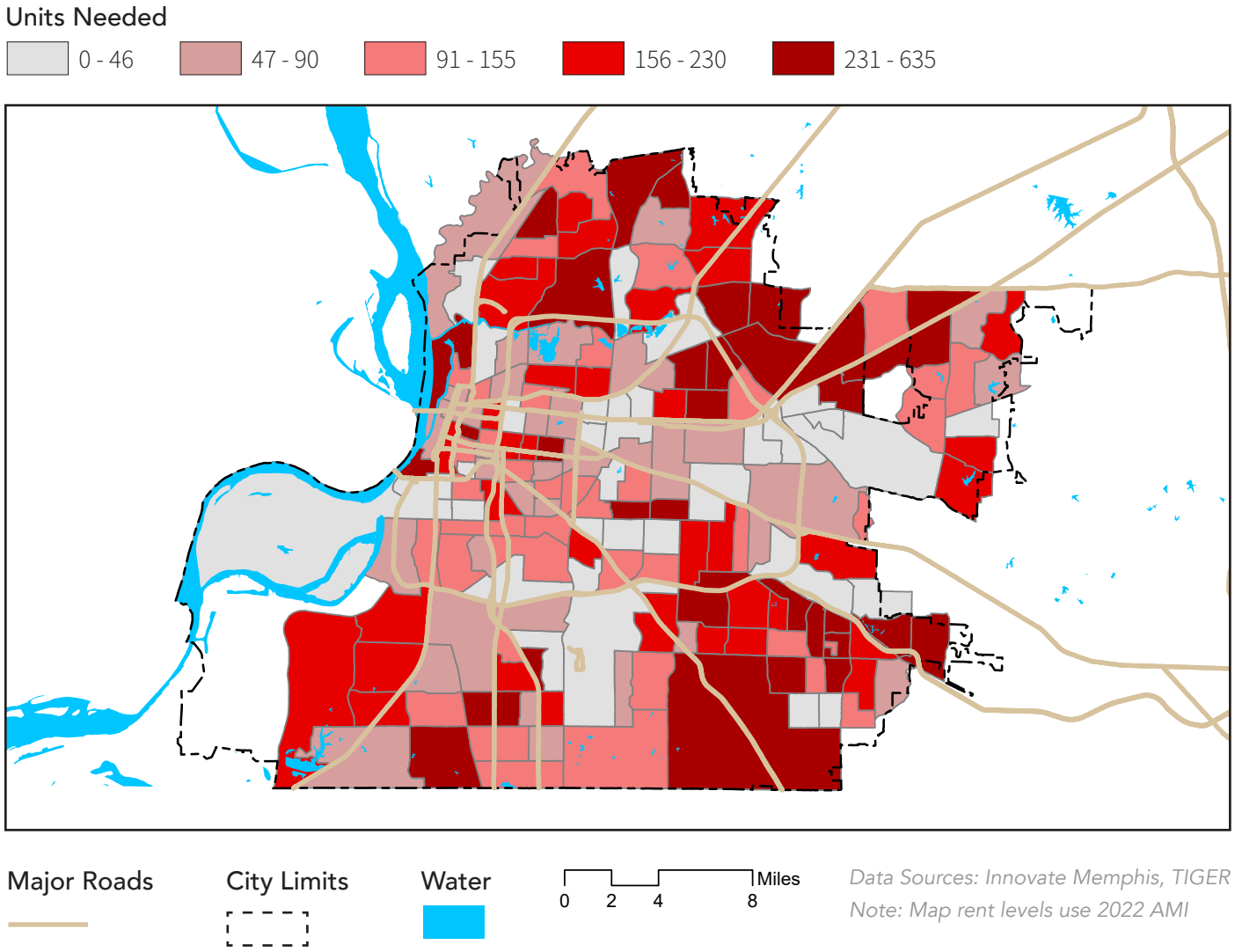
As with many socioeconomic measures in Memphis, housing cost burden is not distributed evenly throughout the city. The following maps show shortages of affordable housing units at the Census tract level for Memphians earning at or below 30% and 50% AMI.[5] They reflect how many additional units at each affordability level are needed to reduce cost burden at each income level in each census tract.

The supply of affordable units for a household earning at or below 30% AMI (i.e., monthly rent of up to $600) is inadequate to meet current demand across most of the city. Tracts in Frayser, North Memphis and Southeast Memphis have the greatest shortages and need hundreds of additional units at this affordability level. Though East Memphis and Midtown have significantly smaller shortages, this is mostly a result of fewer current residents earning 30% AMI.

Shortages of units affordable for households earning at or below 50% AMI (rent ≤ $1,000/month) show a similar pattern, though with the worst shortages more concentrated in Frayser, Northeast and Southeast Memphis. Shortages in South Memphis are more moderate but still clearly present. Despite relatively high incomes

FIGURE 5

HOUSING UNIT SHORTAGE: NUMBER OF AFFORDABLE UNITS NEEDED FOR HOUSEHOLDS AT OR BELOW 50%



Data Sources: Innovate Memphis, TIGER
Note: Map rent levels use 2022 AMI

in general, several East Memphis and Midtown tracts have notable shortages. These areas would likely need significant expansions of housing affordable at 50% AMI to improve access to opportunity.

At 80% AMI and above (rent ≤ $1,600/month), the picture is quite different. Most tracts in Memphis have either no shortage of units at this affordability level or have only slight shortages of 35 units or fewer. This pattern holds across most areas of the city, with the exceptions of Downtown, the Poplar Avenue corridor and parts of East Memphis. Though it is important to meet the needs of Memphians at this income level, the greatest need is at 30% and 50% AMI-affordability levels.

These maps underscore the degree of spatial segregation in Memphis. Many of the greatest shortages of affordable units relative to demand are in historically redlined neighborhoods with large low income and Black resident populations. Improving the state of housing affordability in Memphis requires both meeting existing needs in low-income neighborhoods and expanding opportunities to live in more advantaged neighborhoods.



CRA's Essential Housing Program provides small-scale and emerging local builders with land and financial support. Bee Development is building five affordable housing projects in the Uptown neighborhood.

IMPROVING AFFORDABLE HOUSING: MARKET & AGENCY PERSPECTIVES

Although the production of multi-family housing has increased by 27% since the 2010s, affordable production is down 70%.[11] City officials cite large reductions in federally funded housing programs like HOME and Community Development Block Grants (CDBG) and funding formulas not keeping pace with inflation as reasons for lower production. Memphis' annual CDBG allocation decreased by almost 12% or $807,982 from 2021 to 2026, and the HOME allocation decreased by 14% or $507,428 during the same period.[12]

Of Memphis' 97,000 commercial apartment units, 24% are income restricted, and of these, 18% are mixed-income.[11] These income-restricted and mixed-income units are aging and not being replaced in many cases because of limited funding. The construction of low-income housing is not financially feasible without subsidies. For example, it takes an average of $20,000 in grant funding to reduce rent by $100/month per unit.[13] Moreover, local agencies in Memphis do not have



+27%
multi-family housing

vs.

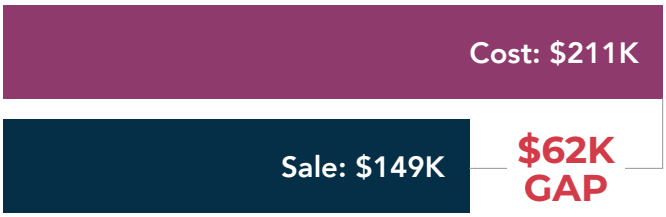


-70%
affordable production

since the 2010s

DEVELOPMENT GAP

On average, it costs $211,000 to buy and rehabilitate a home, but houses are selling for $149,000 in Shelby County, creating a $62,000 development gap.



reliable, dedicated funding to go toward housing every year; most of the funding comes from the state and federal governments and has declined in recent years as noted above.

In the Memphis market, there is also a development gap, meaning the cost of building or rehabbing a unit exceeds the value at which it can be sold or rented. Development gaps can be due to lack of access to financing, rising construction costs, weak home sales, and issues related to permitting and land use. These gaps result in multiple problems. First, developers and homeowners do not receive a return on investment for renovations. On average, it costs $211,000 to buy and rehabilitate a home, but houses are selling for $149,000 in Shelby County, creating a $62,000 development gap. Memphis is especially burdened by the development gap. The median home sells for $50,000 less than homes sold in the rest of suburban Shelby County.[13]

Development gaps can also lead to appraisal gaps where the house is not worth the value that is sold.[13] This means it is more challenging to acquire financing and complete projects in the neighborhoods that need affordable housing the most. Appraisal gaps are pronounced in Black neighborhoods. On average across the U.S., a comparable home in a White neighborhood appraises for twice the value of a home in communities of color.[14] The geographic differences in the ability to access financing homes were highlighted by a public agency leader:

> ***"Depending on where they are looking to build, it can be very difficult. If you are in... an area like East Memphis, it's a little bit easier. You can acquire land, build something, develop it, rent it out, you'll make a reasonable return; sell it, you'll make a reasonable return. But for the developers trying to build in our neighborhoods like downtown and the communities North Memphis, South Memphis, that I described, they have a math problem."***

To address these gaps, developers must increase revenue through higher rents and home prices and/or reduce the costs to build and maintain properties to make projects feasible.

Increasing revenue is a challenge in Memphis. Developers struggled to keep rents and home prices affordable while also navigating rising development costs. One developer said, "You know, construction costs are on the rise. Salaries are not keeping up with inflation and not keeping up with rise in costs for rent." Another shared similar challenges: "The asset pricing itself has obviously gone up, but construction materials, labor, qualified tenant base… it's just hard to make those mathematics work." Another developer described the dynamics in the market as being "squeezed… [because] you basically have had pretty dramatic cost escalations with

minimal rent escalations." A major cost concern is also utility and infrastructure repairs and installations. As one stakeholder put it:

> *"The builder has to spend all that money to do that upfront [infrastructure] cost, and then [build] that house and then have it be low income. They're trying to get their money back."*

Developers emphasized the importance of incentives saying, "You can't do affordable housing, quality affordable housing, without incentives, whether it's tax credits or needing exemption from property tax." They also noted the need for more support around pre-development. One shared that pre-development funding is "the hardest thing for a small developer to finance." Another shared that they would like to see more incentives to help with "all that stuff you have to do before you can actually build."

Inflation has increased the costs of developing and operating affordable housing – a common issue that stakeholders mentioned. One stakeholder said that inflation "slowed down the entire market down. It's not just Memphis. It's across the whole state." Another mentioned that "increased construction costs, the increased cost of labor and materials, I think is a huge hurdle for developing affordable housing."

Rising costs are putting pressure on both market-rate and subsidized housing. While the cost of building has increased, the subsidies have not increased at the same rate or at all. This means it is more expensive to build now than it was just a few years ago. A financer of subsidized housing shared:

> *"As far as our housing program goes, we have not adjusted the amount of subsidy that we provide with these builds as of late with current fuel surcharges or, you know, tariffs or whatever the case may be."*

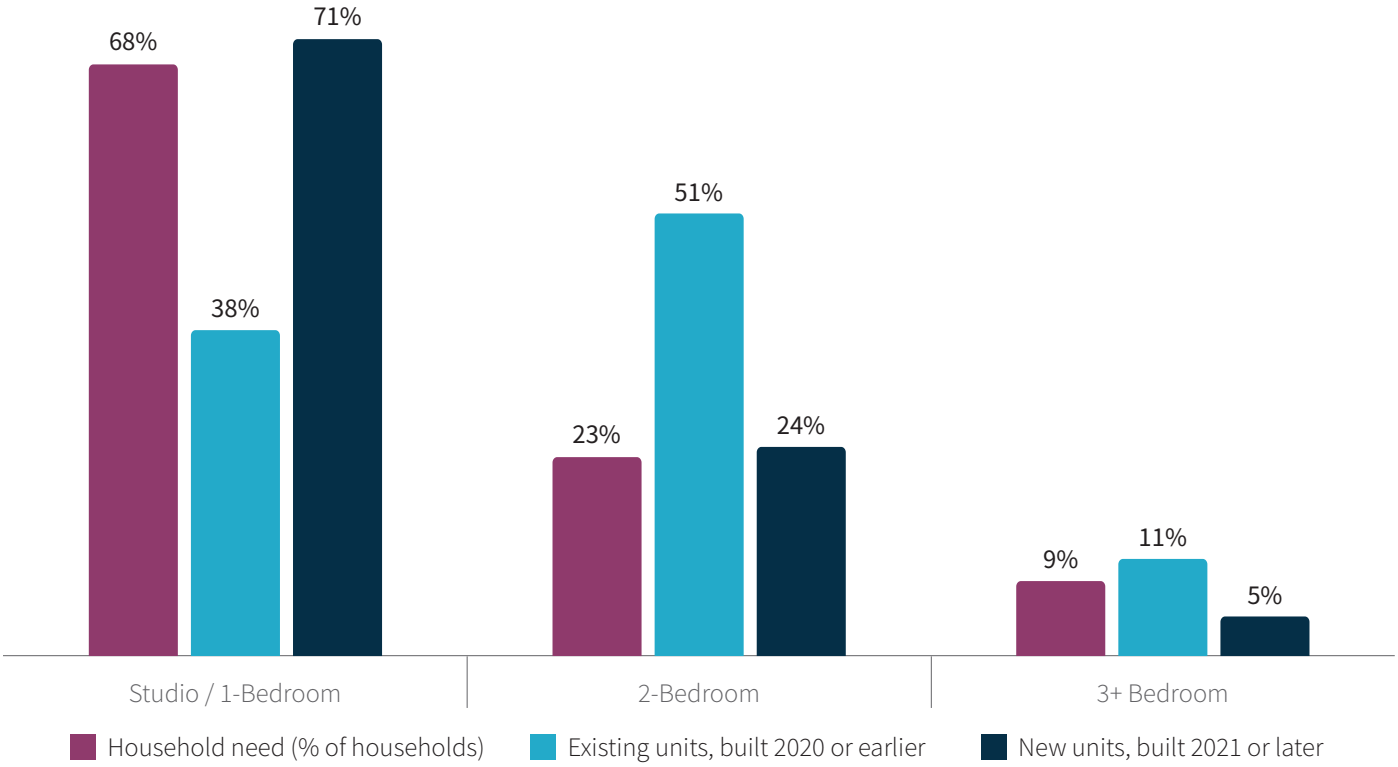
Developers also stressed the need to reduce pre-development costs and administrative complexity when interacting with multiple public agencies and public utilities. This complexity increases costs and the amount of time it takes to complete projects, which ultimately means residents have fewer, less affordable options. One developer said, "we are trying to get paperwork signed by multiple departments across the city, we have to have somebody from the Mayor's Office, somebody from HCD, somebody from City Legal sign a contract saying we can begin work." Another said, "It's challenging when it's difficult to do everything and you have to go to five different buildings to get the permits that you need just to begin construction." A developer who worked here and in other cities said that reducing pre-development timelines would make Memphis a more desirable place to do business. Ideally, "if you're a developer who wants to come to Memphis, you don't have to talk to six different groups to try and figure out how to do it. You don't have to go through a maze of approvals and... you know, we ain't got enough time." Pre-development costs were especially burdensome for emerging developers who typically don't have the institutional knowledge and relationships to navigate different agency approvals efficiently or the financial cushion for unexpected fees.

One way developers are responding to the

FIGURE 6

RENTER HOUSEHOLD SIZE VS. APARTMENT SIZE OVER TIME, MEMPHIS

Existing multifamily stock doesn't match renter needs, but new construction is closing the gap.



Source: CoStar Memphis Multifamily Property Data (2026), Census ACS 5-year estimate for renter households (2024)

current market is shifting to smaller units. In market-rate housing, studios and one-bedrooms make up about 74% of units delivered or in the pipeline since 2020, up from 58% in the 2010s.[11] This is likely in response to the fact that the number of Memphis residents living alone has increased by almost 20% since 2010[2] but also potentially because residents and developers are downsizing to guard against rising costs. In income-restricted housing, the shift is much smaller: about 32% of new units have been one-bedroom or studio since 2020 compared with 40% in the 2010s.[11]

Detached single-family homes dominate Memphis' housing stock, making up about 65% of housing units.[3] At the same time, 39% of households in Memphis are individuals living alone who have limited options if they are seeking lower-cost, lower-maintenance housing.[2] Although households of all sizes should have choice in the type of home they want, Memphis' current housing stock is geared much more toward larger families when comparing household size and a unit's number of bedrooms as a proxy. In the chart that follows, 68% of renter households are comprised of one or two people, but only 38% of housing stock built before 2021 is for smaller studio and one-bedroom homes.[2,11] 23% of renter households have three to four members while 51% of housing stock built before 2021 is for two-bedroom homes. Since 2021, new builds and permits have shifted far more toward one-bedroom and studio units and away from two-bedroom homes.[11] Households with five or more members (9%) align more closely with housing stock available with three or more bedrooms for both time periods.[2]

FINANCING AFFORDABLE HOUSING – A PRIMER

No one builds affordable housing with one big check. It typically requires a mix of several funding sources, each with a different role, cost, and level of risk. These sources are then layered together over the course of the project – this is often referred to as a capital stack. A capital stack is the combination of funding sources developers use to finance housing construction, which often includes both debt from lenders and equity from investors.

At the top of the stack is debt. This is the money that developers borrow from a bank or lender; it must be paid back with interest. There's a limit to how much can be borrowed. A bank will only lend based on what the rent can realistically cover. By law, affordable housing must charge below-market rent; this means the property generates less income than it would if it was a market-rate unit. Less income means less money can be borrowed from a bank.

There is a **financing gap** between the amount of money a project can get a loan for and the cost of completing an affordable housing project. In these cases, developers rely on multiple tools to fill that financing gap, including public programs, subsidies, and private sector resources, which supplement upfront funding, boost rental revenue, and/or reduce costs.

The bottom of the stack is equity. In general, equity is the money invested by owners or investors in exchange for a share of the deal rather than a promise of repayment. The biggest source of equity is the **Low-Income Housing Tax Credit (LIHTC)** program. This is an annual pool of tax credits the federal government gives state development agencies to support affordable housing development. Tennessee's Housing Development Agency (THDA) decides which projects receive tax credit allocations. Developers do not get cash directly from the government; instead, they get the right to sell future tax savings to an investor (e.g., a bank, CDC). The money from the sale of tax credits generates the equity dollars used to fill some of the gap. In turn, the investor gets to reduce its own federal tax bill for the next 10 years.

LIHTC-plus-debt is usually not enough to pay for housing development. Developers use other tools to fill the remaining **financing gap**. Public programs, subsidies, philanthropic grants, and private sector resources supplement upfront funding, boost rental revenue, and/or reduce costs. Other tools include:

- Payment in Lieu of Taxes (PILOT) programs
- Local government programs
- Community Redevelopment Act Tax Increment Financing (TIF) districts
- Historic tax credits
- Deferred developer fee



Affordable Housing Development

Below Market-Rate Rents

Debt

Loans to pay back with interest

Public & Private Affordable Housing Tools

Payment in Lieu of Taxes (PILOT) programs

Local government programs

Community Redevelopment Act
Tax Increment Financing (TIF) districts

Historic tax credits

Deferred developer fee

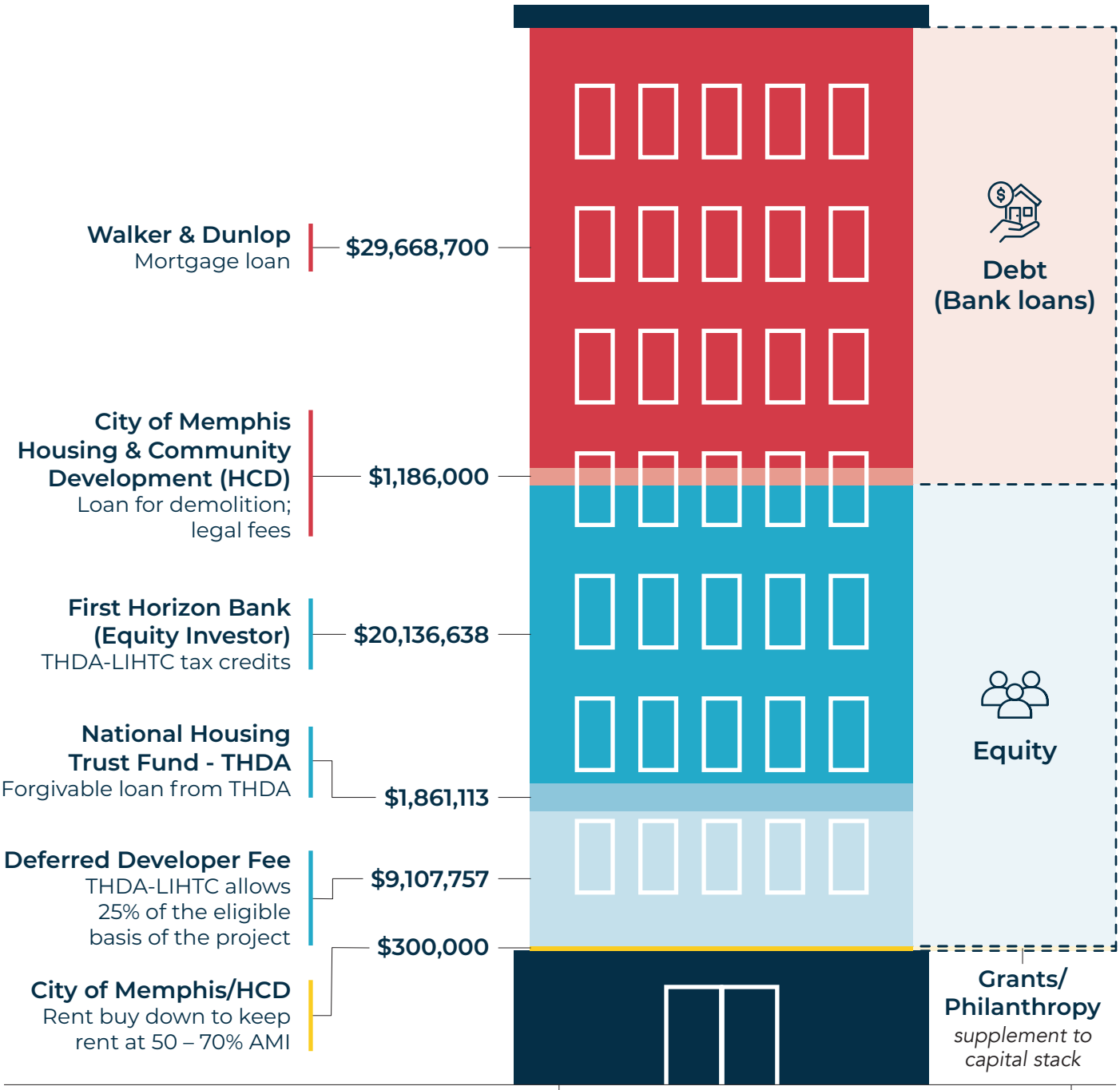
Financing Gap

Investor Equity

TILLMAN COVE A REAL-WORLD EXAMPLE

Tillman Cove is a 219-unit redevelopment in the Binghampton neighborhood completed in 2024. It is a mixed-use complex including 63 independent senior living apartments, 131 one-to-three-bedroom apartments, and 25 townhomes, spanning 9 acres. Rents are between 50% - 70% of Area Median Income (AMI). The City of Memphis initially bought the property, and Elmington Affordable purchased it from the City ($811,000) to redevelop it. Binghampton Development Corporation (BDC) is also a development partner for Tillman Cove. The total cost of the capital stack was $61,960,208. The City of Memphis HCD provided an an additional $300,000 after-stack supplement to close the gap.

Here's what the capital stack at Tillman Cove looked like:[15]





Tillman Cove is a 219-unit, mixed-income affordable housing community in Binghampton, completed in 2024. Developed by Elmington Capital Group, the project was made possible through a public-private partnership and a layered financing approach.

While the capital stack may appear to be a straightforward mix of debt, equity, and grants, there are aspects of the Tillman Cove's financing that do not fit neatly into the table above. First, the money a bank loans a developer is not available for use all at once; it is distributed in stages as a project meets certain benchmarks. Consequently, development projects require working capital – this is cash that a developer must have on hand to bridge operations before and between loan distributions (tranches) from the bank. For example, pre-development expenses associated with design, engineering, and permitting are upfront costs. In the Tillman case, the amount of capital for pre-development expenses and working capital funded out of pocket by Elmington was more than $2,500,000. If the project does not close or runs over budget, then the developer loses this money.

Secondly, Tillman Cove required some additional funding to ensure that Binghampton residents would not be displaced and that there was local equity in the project. Thus, the grant from HCD was used to buy down rent to keep it affordable, ensure neighborhood representation in the process, and protect residents from displacement. The grant funds allowed 70 families to live at Tillman Cove while they were waiting for their Choice Vouchers to begin. Additionally, BDC is an equity partner in the development alongside Elmington. This means a local institution has direct financial ownership and a shared risk/reward stake in the development. BDC is a steward of the project, not simply acting as a contractor, consultant, or third-party service provider.

Finally, developer fees are paid to the development company for their work on a project. When the project uses Low Income Housing Tax Credits (LIHTC) for equity in the capital stack, Housing Development Agencies like Tennessee Housing Development Agency (THDA) set the maximum fee as a percentage of the project. In the Tillman Cove example, Elmington loaned their developer fee back into the project to fill a financing gap. If the development is successful, the project will pay the developer's fee back to the company from net income over 15 years. A successful project means the properties are fully occupied; rents come in; and maintenance and management costs stay within projected costs.

Strategies in Place

Local public and private sectors are working to meet the needs of residents while responding to the rising costs. The City of Memphis already has several programs in place to reduce development costs and make renting and homeownership more affordable for residents. To help with funding for affordable housing development, the City offers property tax abatement through the Health, Educational and Housing Facility Board, gap financing through the Affordable Housing Trust Fund and federal HOME grants, and other resident programs for downpayment and mortgage assistance.

The City also recently launched a Middle-Income Housing Pilot program to support local nonprofit and for-profit developers in the construction or rehabilitation of housing that is affordable for residents in the 80-120% AMI band. The program prioritizes projects that address "missing middle" housing of 2-10 units (duplexes, triplexes and small apartment complexes, for example) and infill development for vacant lots.

Community land trusts are another promising strategy that continues to grow in Memphis. Klondike, Binghampton, and Orange Mound all have community land trusts. Although each land trust operates differently, they generally grant vacant land or properties to a community board or nonprofit that develops or rehabilitates housing and sells homes at extremely low cost to residents in the neighborhood. Residents agree to maintain similar levels of affordability in the event they sell the property, ensuring affordable home ownership stays accessible in the community.

Successful affordable housing is a team project that requires collaboration between public, private, philanthropy, and residents. Memphis has had some major successes that serve as a model. Stakeholders we interviewed from all sectors touted Tillman Cove, Northside Square, Belle | Mont, and the redevelopment of public housing through the Choice Neighborhoods Initiative as examples of successful public-private partnerships. These developments reflect the diversity of housing that Memphis needs. Tillman Cove includes 219 units – 63 senior living apartments, 25 town homes, and 131 one- to three-bedroom apartments. Northside Square is a mixed-use development that includes 42 affordable units and also includes nonprofits and other community assets beyond housing. Belle | Mont was part of the City's Middle-Income Housing Pilot Program and is a 23-unit cottage court community. Through the Choice Neighborhood Initiative Grant, the City of Memphis along with federal and private funders developed 712 new, mixed-income housing units that replaced 420 units of deteriorating public housing.

What's Missing

There are many steps the Memphis housing ecosystem can take to build on its current successes. One issue directly in local agencies' control is decreasing pre-development costs and timelines for affordable housing by reducing administrative complexity, especially related to permitting, contract approvals, and utility and sewer installations. In addition to the existing PILOT program, local agencies can also better align incentives and subsidies to fill in the gaps in private market financing. The Pre-Development Assistance Grant, which the City launched in 2026, is an important first step. The program was designed to help emerging developers with early costs such as site work, grading, utilities, and other pre-development activities.

Second, it is difficult for emerging developers to access pre-development financing. Although local governments have limited funding, the City could still incentivize private and philanthropic investment by connecting emerging developers with capital and coordinating public-private investment targeted to needs that are underfunded by state and federal programs such as pre-development costs, repairs, and appraisal gaps.

The Memphis Affordable Housing Trust Fund was established in 2019 but still does not have a permanent, dedicated funding source. Creating a permanent funding source *and* allocating these funds strategically to fill gaps while encouraging complementary private investment for affordable housing is necessary to move the City's housing goals forward.

SECTION 3

HOUSING QUALITY AT RISK

AGING HOMES, GROWING NEEDS

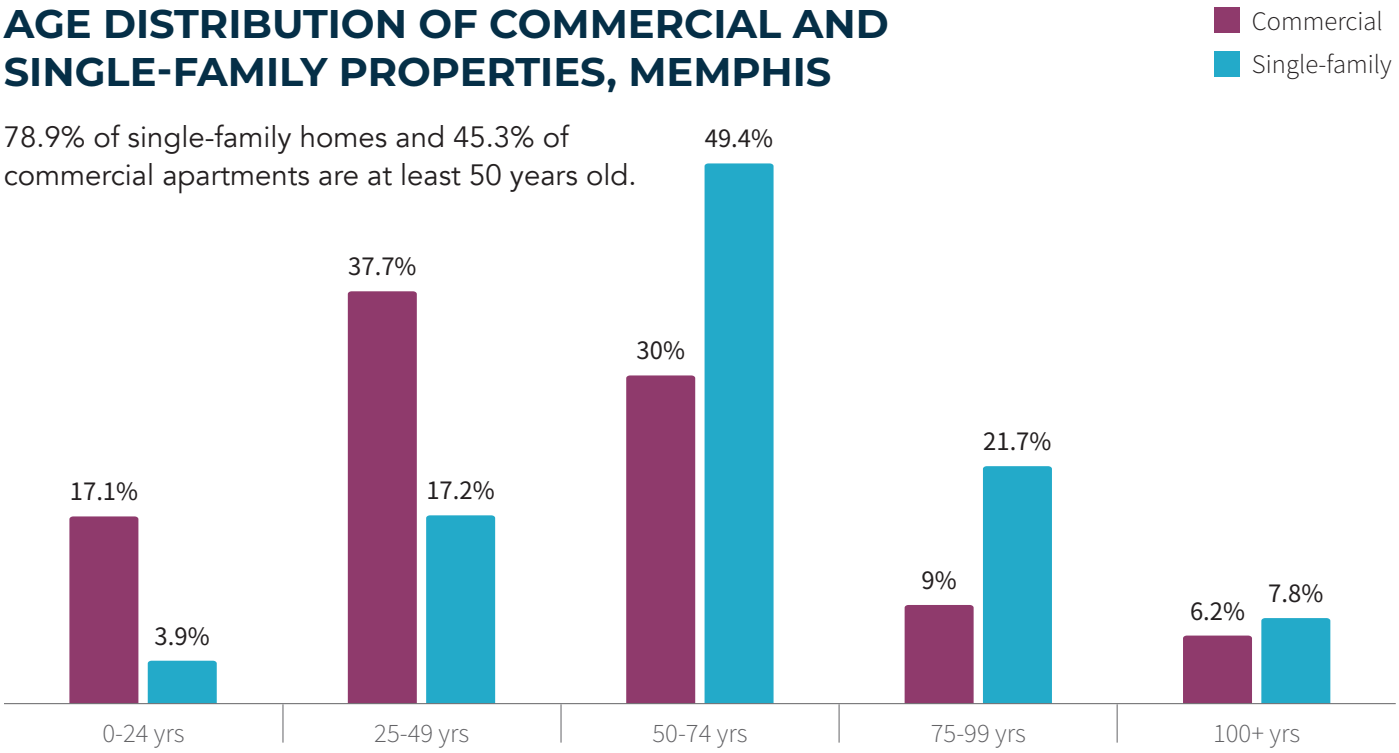
Nearly 80% of single-family homes and 45% of commercial rental properties are 50 years old or more.
As homes age, maintenance and repair become the central challenge.

Housing quality and habitability emerged as key concerns among Memphis residents. Aging housing stock, energy burden, and disinvestment are central to conversations about affordable housing because deteriorating quality leads to lost housing stock and mounting deferred maintenance costs. Resident interviews highlighted housing conditions and upkeep challenges not captured in data on housing costs alone. These burdens differ by tenure: homeowners bear the financial and practical responsibilities of repairs and maintenance while renters depend on landlords for upkeep.

FIGURE 7

AGE DISTRIBUTION OF COMMERCIAL AND SINGLE-FAMILY PROPERTIES, MEMPHIS

78.9% of single-family homes and 45.3% of commercial apartments are at least 50 years old.



Source: Shelby County Assessor Certified Roll 2026

The age of Memphis' housing stock creates ongoing challenges for maintaining housing quality. The median age of multi-family commercial developments like apartment buildings is 43 years old, and the median single-family home is 66 years old. Nearly half (45%) of commercial properties and more than three-quarters (79%) of single-family homes are at least 50 years old. Nearly one third of single-family homes are at least 75 years old. Only 20% of commercial properties and 5% of single-family homes were built in 2000 or later.[6]

Gauging the scale of poor housing quality can be a challenge. Using data like code violations or prolonged vacancy alone may understate the problem and limit local agencies' ability to intervene before properties are beyond the point of repair. We analyzed 310,653 residential parcels in Shelby County by combining six indicators of potential disinvestment: change in assessment value, physical stagnation, prolonged sale inactivity, tax delinquency, code enforcement violations (7-year recency window), and vacancy.

Overall, 7% (22,716) of parcels met the high-risk threshold for disinvestment. Tax delinquency is the strongest indicator of risk followed by code violations. Vacancy and disinvestment are also tightly linked. Approximately 3.6% (11,085) of all residential parcels are vacant, and nearly 40% of these properties score as high risk compared with 7% of parcels overall. High-risk parcels cluster sharply in a handful of zip codes in and around Memphis' core. Over 75% of these properties are located in just ten zip codes, and there is a strong overlap with neighborhoods where many residents are cost burdened and may not be able to afford repairs for their own homes or higher-quality rental options.[7]

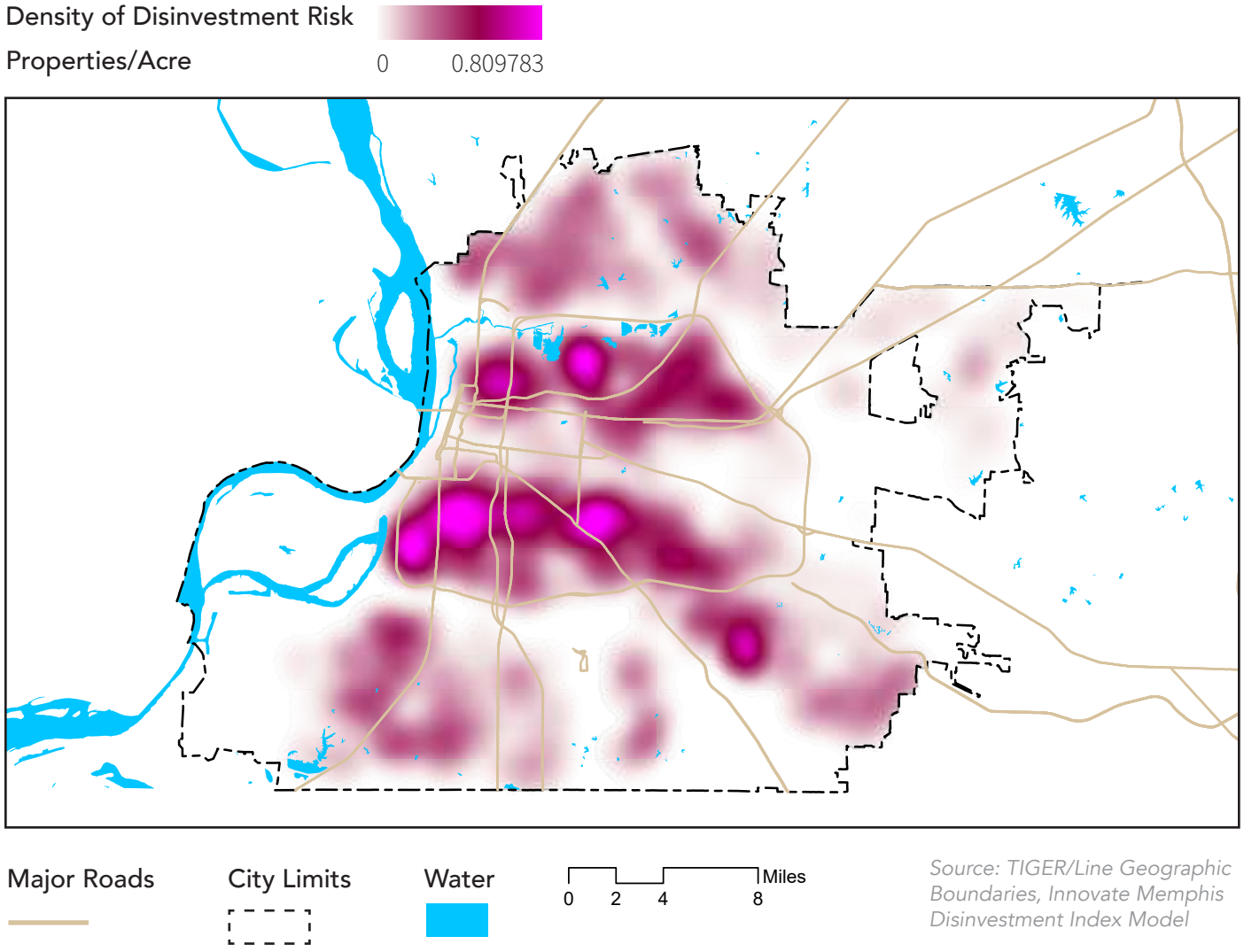
Residents described a range of physical structure and infrastructure problems that impacted their living conditions including electrical and plumbing issues, roof leaks, HVAC outages, mold, overgrown weeds, and inconsistent inspections whether by

How the Disinvestment Index Works

Indicator	Data Source and Year(s)	Scoring
Change in Appraisal Value	Shelby County Assessor of Property appraisal value per square foot, 2013 (baseline) and 2026 (most recent)	1 = change in value is 75% of a standard deviation lower compared to surrounding homes; 2 = change in value is 150% of a standard deviation lower
Physical Stagnation	Shelby County Assessor of Property dwelling history, all years between 1998 and 2026	1 = No record of improved or changed fixtures, rooms, or size in dwelling history AND size and fixtures are less than the neighborhood median
Sales Gap	Shelby County Assessor of Property sales records for the past 15 years, 2011-2026	1 = Property has not sold in the past 15+ years; excludes no-cost transfers of ownership
Tax Delinquency	City of Memphis Trustee tax delinquent roll for all currently delinquent properties	1 point for each year the property has been delinquent
Vacancy	U.S. Postal Service vacant property report	1 = Property is currently reported as vacant as of 2026
Code Violations	City of Memphis Code Enforcement code violations from 2019 to 2026	1 point for each distinct structural or non-structural code violation at the property during the past 7 years (max 3); 1 point if all violations are older
Overall Risk Score	Total points from the sources above	All properties with a score of 4+ are flagged as high-risk for poor quality

FIGURE 8

GEOGRAPHIC CONCENTRATION OF HOMES AT HIGH RISK FOR POOR QUALITY



Source: TIGER/Line Geographic Boundaries, Innovate Memphis Disinvestment Index Model

landlords or public agencies. They also often mentioned abandoned, dilapidated, vacant, or blighted properties on their streets that signal disinvestment in the neighborhood and can invite crime and environmental problems that extend beyond property lines.

Aging housing stock can lead to higher energy burdens for residents. Similar to housing cost burden, energy burden refers to the percentage of income a household pays toward energy bills. A household with a high energy burden spends 6% of income or more on utilities. According to a 2024 report, 40% (135,000) of all households in Shelby County experienced a high energy burden; 75% of these (102,000) were in Memphis.[16] Not surprisingly, 78% of Memphis households with a high energy burden are also low income, and some spend 20% or more of their income on energy bills. Older homes and apartments are less likely to be energy efficient.[16] Common issues include deteriorating roofing, insulation, windows, and HVAC systems that make cooling more difficult in the summer and heating more difficult in the winter. When homeowners and landlords are unable or unwilling to keep up with maintenance needs,



CRA acquired blighted properties in the Medical District and is working with CAAP, Inc to repair them into livable condition. Place of Promise Phase 1 involves rehabilitation of an 11-unit apartment building for veterans.

higher utility costs are passed on to residents already struggling financially.

For homeowners, maintaining housing quality was a struggle, particularly for seniors. Memphis' aging population translates into an increased need for home maintenance assistance. Between 2019 and 2024, the number of Memphians ages 18–24 and 25–34 fell by 12% and 13%, respectively, while the 65+ population grew by 3.6%.[3] These trends show that Memphis' overall population decline has been uneven across age groups with particularly large losses among younger adults. With many seniors on fixed incomes and less able to afford home maintenance, the loss of younger residents increases the chance that older homeowners must rely on external assistance programs instead of younger family members to preserve or improve the quality of their housing.

"If I need a new roof, I would like them to put somebody with me to put a roof on. You know what I'm saying? Without me having to pay since I'm an old woman. You can't even get through the line [to talk to a home repair organization]. I can't get through." -Senior homeowner in 38116



"I call them a shack. These shacks are too expensive, and then they take all your money up front. And then when you get in it, you got to start fixing it up. Stuff starts breaking. It's already broke down, you just don't know it..."

– Senior homeowner in 38116, currently has no electricity in half her house

40% of households

in Shelby County experienced a high energy burden

While there are successful programs in Memphis that offer home repair services, the resources available fall far short of need. Moreover, residents and homes fall through the cracks when most repair programs focus on a small menu of repair needs or demographic groups. For example, Habitat for Humanity's Aging in Place program provides around 250 critical home repairs for seniors annually (mainly replacing roofs), while pandemic-era American Rescue Plan Act (ARPA) programs provided around 250 critical home repairs for low-to-moderate income, older, and/or disabled homeowners for health and safety repairs (such as HVAC, disability accessibility needs, plumbing and electrical). The City's Weatherization Assistance Program provides energy efficiency home repairs to lessen the utility burden on low-income families who can be renters or homeowners. However, restrictions on repair criteria (ex: roofs, weatherization, lead removal) and restrictions on who qualifies for each program (ex: seniors or those who meet certain income qualifications) limit residents' access along with short and infrequent windows to apply for assistance.

Local government and nonprofit interviews confirmed that residents' needs far exceed the available resources.

"There is rampant demand for this kind of service…On any given call in, we'll get 2,000-3,000 people trying to get on the list. And we try not to have a list because these are critical home repairs. We don't want people to be waiting a year when they could potentially find another avenue to get this repair." -Nonprofit stakeholder

"We have these phone calls all the time. There are not enough people or not enough program dollars to help the number of people that just need new water heaters and new roofs. And they can't breathe properly and have respiratory issues because of the mold we have. All of those health issues are tied back to housing quality. And I think the quality of housing is a much overlooked thing." -Local government stakeholder

Residents also expressed a preference for preserving and improving existing housing rather than focusing solely on new construction. They wanted investment in their communities that would improve the quality and condition of the homes they and their neighbors already live in.

"I think to me they need to build more houses up, and the houses out here now, it's not fixed up. So, I feel like they should fix the houses up. Because it's a bunch of houses out here. It's not fixed up." -Older renter in 38111

Home maintenance and repair are important aspects of housing stability and livability; however, overall neighborhood conditions are important too. Residents also stated:

"Housing in my neighborhood is not good. Reason being, some of those houses need to be either condemned--and if they don't condemn them, at least fix them up. So, where it can be livable so somebody can live in it and move in." -Middle-aged renter in 38107

> ***"Fixing more houses would be better–because we got plenty of empty houses around…They need to fix them up and make them more affordable for people that can't afford it. The city needs to come up with a grant or something where they can house some of these people that want the help, that don't have the help, like they don't have family, or they don't really have the help to get them off the streets."***
>
> *– Young adult renter in 38107*

MEMPHIS RENTER PERSPECTIVES

Interviews with renters highlighted another side of housing quality: landlord disinvestment that leaves residents with persistent maintenance problems even when they are paying substantial monthly rent. Some residents described having landlords who ignored minor issues that sometimes became major problems.

> ***"I moved in here, my AC unit is not working, so I had to get a fan. But I can't complain because there's nothing out there, you know. But it's just if you're going to pay the money, have the things fixed. You want $925 [a month for rent] but this is the fifth day I'm having to worry about some air."***
> *– Older renter in 38134, moved in during July*

> ***"We told him things going on in the house, he didn't want to fix the situation from the water, the pipes busting on the inside of the house...it got to the point where, when my son was taking a bath, the pipes busted on the inside, and it came out of the wall."*** *– Middle-aged renter in 38107*

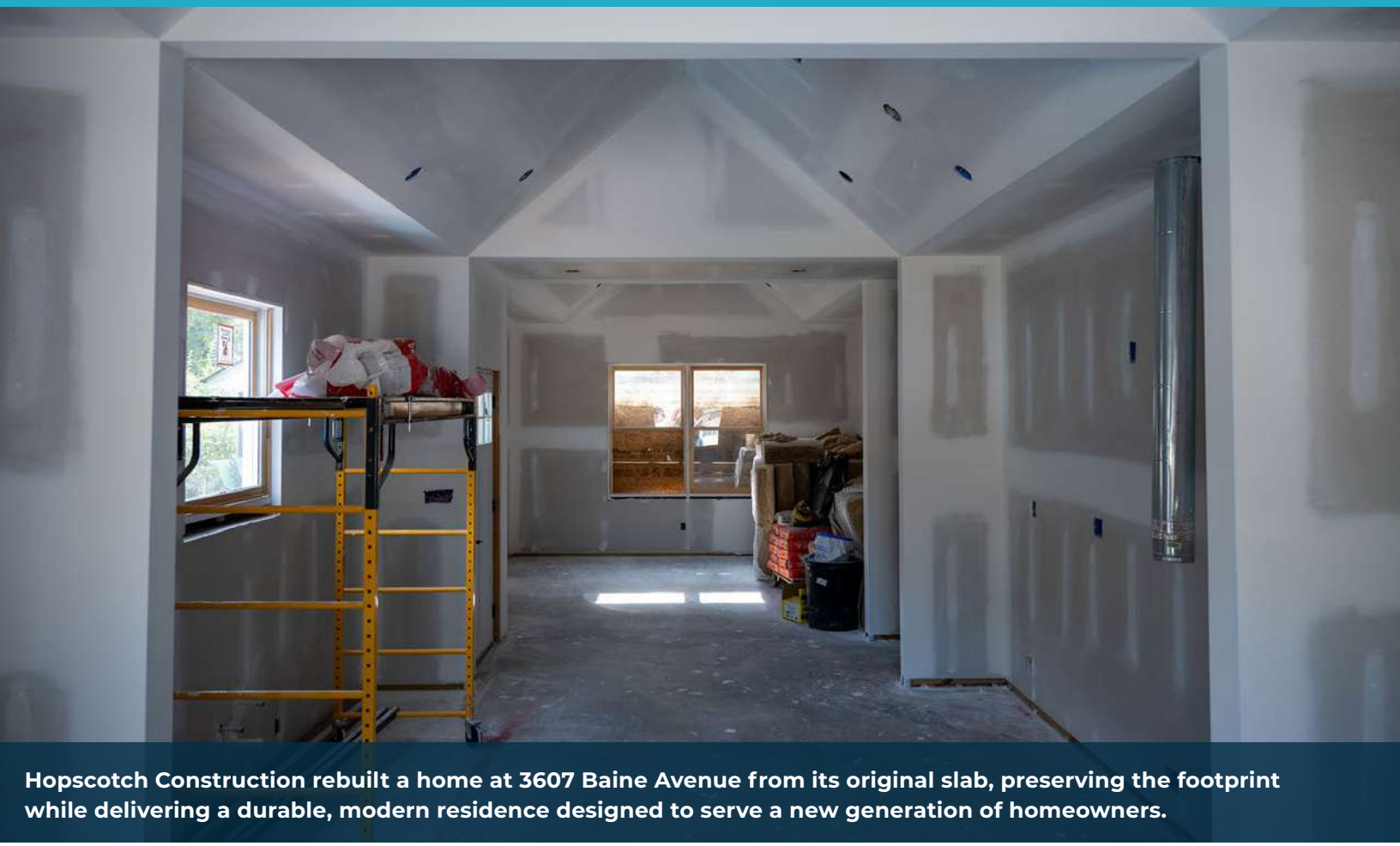
Residents described some of the challenges they face in getting landlords to do routine maintenance repairs, as well as more significant repairs. As one resident explained, there are times that residents have to hire someone "on the side" to get a repair made:

> ***"They be slow about coming and fix stuff. You know what I'm saying? It's not in a timely manner. You have to constantly be calling in orders. And I don't like that. Then sometimes we have to, you know, maybe get somebody on the side to do something."*** *– Senior renter in 38107*

Many residents emphasized their desire for better landlord accountability mechanisms. There are limited policy measures to compel landlords to make repairs and long lag times to complete code enforcement and legal processes when violations are found.

> ***"The house that we stayed in, the type of landlord we had, he thought everything was a joke. He didn't want to fix nothing. Even when we told him what was going on in there, he let it keep getting worse and worse to where he sent us to court about the house. So we had to go up out of the house."*** *– Middle-aged renter in 38107*

An advocate who works with people facing eviction noted that some residents try withholding rent to encourage the landlord to make repairs. This frequently results in eviction, as residents are not protected based on the quality of the rental property. While not currently available in Tennessee, other states have enacted laws that give renters the right to repair their unit and deduct the cost from monthly rent to address this issue.



Hopscotch Construction rebuilt a home at 3607 Baine Avenue from its original slab, preserving the footprint while delivering a durable, modern residence designed to serve a new generation of homeowners.

IMPROVING AND PRESERVING QUALITY

Strategies in Place

As noted previously, several local public and nonprofit agencies offer home repair assistance programs that have served thousands of Memphians in recent years. Between January 2020 and September 2026, the City of Memphis dedicated $22 million to 1,135 residential repair, rehab, and weatherization projects across 10 programs that helped preserve 1,653 units.[17] Four programs, Aging in Place (259 projects), ARPA Home Repair (258), Lead Hazard Remediation (198), and the Memphis Affordable Housing Trust Fund (170), account for roughly 78% of completed projects. The great majority of projects focused on repairs for single-family homes.

Between 2020-2026, the City also spent $43 million on new construction to replenish housing stock and offer more diverse, affordable options in addition to the $22 million described above for rehab and repair projects. While both types of investments are needed to stabilize Memphis' housing market, rehab and repair programs have greater potential to serve more residents with fewer dollars. These programs accounted for 65% of the units served but 34% of the funding spent during this period, whereas these proportions are flipped for new construction.[17]

Local organizations like Habitat for Humanity and the Community Redevelopment Agency (CRA) have strategically taken preservation a step further by concentrating multiple repairs within a few neighborhood blocks around the same time. Not only does this method ensure several residents' needs are met in a more cost-effective way; it has also increased the neighborhood's appraisal value in some cases, which can reduce financial barriers to further investment and repair.

CITY REPAIR, REHAB AND WEATHERIZATION BY PROGRAM

Summary of residential repair, rehab, and weatherization projects completed by the city across programs between 2020-2026

Program	Work type	Projects completed	Housing units served	Funds committed
Aging in Place	Repair	259	259	$1,678,537
American Rescue Plan Act (ARPA) Home Repair	Repair	258	258	$3,726,510
Lead Hazard Remediation	Repair	198	208	$3,037,738
Memphis Affordable Housing Trust Fund	Mixed: 166 Repair / 4 Rehab	170	221	$3,736,221
Shelby County Lead Match	Repair	105	105	$507,329
Weatherization Assistance Program	Repair	61	146	$1,526,425
Shelby County Housing Department	Repair	17	17	$1,144,170
Community Housing Development Organizations	Rehab	11	20	$790,167
Neighborhood Stabilization Program	Rehab	8	8	$658,854
Other	Mixed: 37 repair / 11 rehab	48	411	$5,336,867
Total	Mixed: 1,101 repair / 34 rehab	1,135	1,653	$22,142,818

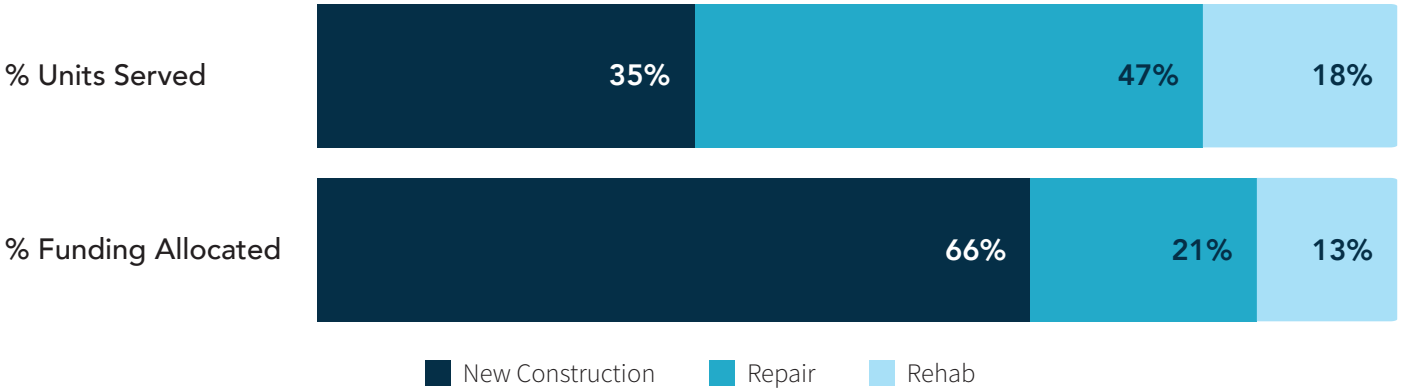
Source: City of Memphis Division of Housing & Community Development

Beyond direct investment in preservation, the City of Memphis has also increased its focus on holding property owners accountable for maintaining quality. The City created a new Community Enhancement division in 2025 that oversees code enforcement, neighborhood beautification, and direct services to clean up problems like illegal dumping, grass cutting, condemnation and demolition for long-neglected properties. In 2026, Community Enhancement added more than a dozen new inspectors to be more responsive to reported code violations and now partners with a designated Anti-Blight Litigation Manager to take legal action when property owners and landlords do not address code violations in a timely manner. A long-standing partner is the University of Memphis' Neighborhood Preservation Clinic where law students file nuisance lawsuits for badly neglected, vacant, and abandoned properties

FIGURE 9

CITY-FUNDED HOUSING INVESTMENT BY PROGRAM TYPE, 2020–2026: SHARE OF PROJECTS, UNITS, AND DOLLARS

Repair and rehab account for 65% of the 2,554 units served and 34% of the $65.2 million spent. New construction is the reverse: 35% of units and 66% of dollars ($43.1 million).



Source: City of Memphis HCD Program Spend

in Shelby County Environmental Court. The Community Enhancement division recently demolished 100 derelict homes considered unsafe and beyond repair and has been able to resolve multiple health and safety hazards with rental properties that had previously been tied up in court for years.

What's Missing

Between the "tidal wave" of aging homes over 50 years old and concentrated areas of vacant and neglected properties, it is tempting to focus primarily on homes that are beyond or nearly beyond repair. But doing this at the expense of homes with moderate maintenance needs will create a larger, more costly backlog of homes that fall into disrepair, incur cascading repair costs, stretch code enforcement capacity, and result in prolonged condemnation and demolition processes. While Memphis has many impactful home repair programs, there is a clear need for more funding to meet demand, especially more flexible funding that can fill gaps for repair types or demographic groups that are not covered by existing programs.

Using early warning indicators such as tax delinquency and repeat code violations to intervene and promote repair resources more proactively with property owners could also reduce downstream problems in neighborhoods where quality issues are extensive. When it comes to rental properties and landlords not keeping up with maintenance needs, there needs to be an appropriate balance of "carrots and sticks" to ensure landlords are maintaining safe, quality living conditions for tenants. The response should take into account whether rental owners are facing their own unexpected financial challenges or demonstrating unwillingness to address known issues.

When housing quality issues are widespread in neighborhoods, it multiplies the barriers to rehabilitation because appraisal values fall, restricting access to loans and investments homeowners and developers need to improve conditions. Distressed communities need coordinated strategies and funding to repair homes and invest deeply in a designated neighborhood radius to reverse this trend. It is also worth reexamining the appraisal process when the decline in home values becomes too restrictive for homeowners and community development organizations to access the financing needed to make meaningful improvement.

SECTION 4

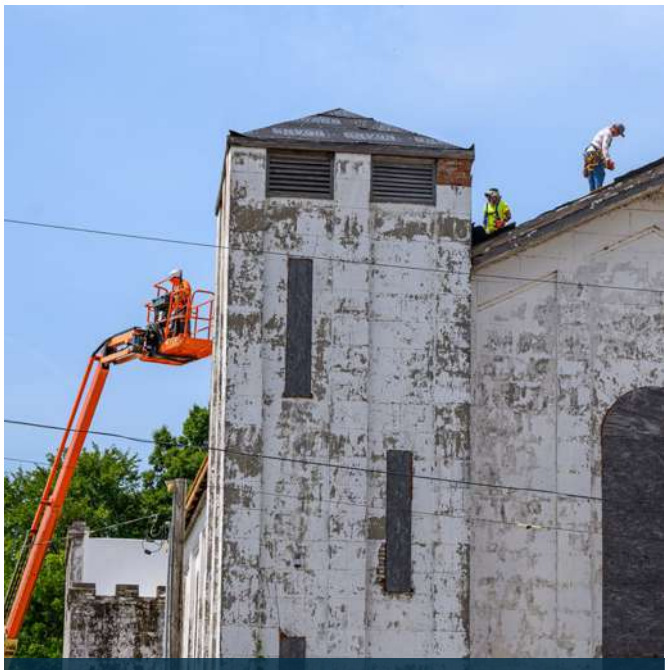
BUILDING STRONG, VIBRANT COMMUNITIES

Quality housing supply at all affordability levels is only one part of creating the strong, vibrant communities Memphians deserve. This work is also about bringing multiple types of assets closer to where people live, work, and play and vice versa. Clustering assets like schools, transit lines, and employers in a small geographic area makes communities more livable, while bringing residents together means better investment in these resources and more opportunities for local institutions and businesses to thrive.

As a guide for creating and sustaining these types of communities, the Memphis 3.0 comprehensive plan focuses on *anchors*, neighborhood focal points of social and commercial activity that help them function, and ideally, attract more community assets and development. The 3.0 plan, first adopted in 2019, updated zoning around the anchors to designate where and what types of housing could be built block to block and encouraged increased multi-family development to attract more residents near anchors. So far, recent housing development activity has not been closely connected to the 3.0 plan. Since 2020, only 16% of new housing has been built within a half mile of 3.0 anchors.[1] The map on page 36 shows where new housing units are being built relative to anchor sites.

Most developers and housing program leaders interviewed for this report did not reference the 3.0 plan when talking about what and where they decide to build. They decide largely based on land availability and incentives. Frequently used affordable housing incentives such as LIHTC and PILOT are not place-based, and many 3.0 anchors have limited vacant land available in general and/or land zoned specifically for housing nearby.

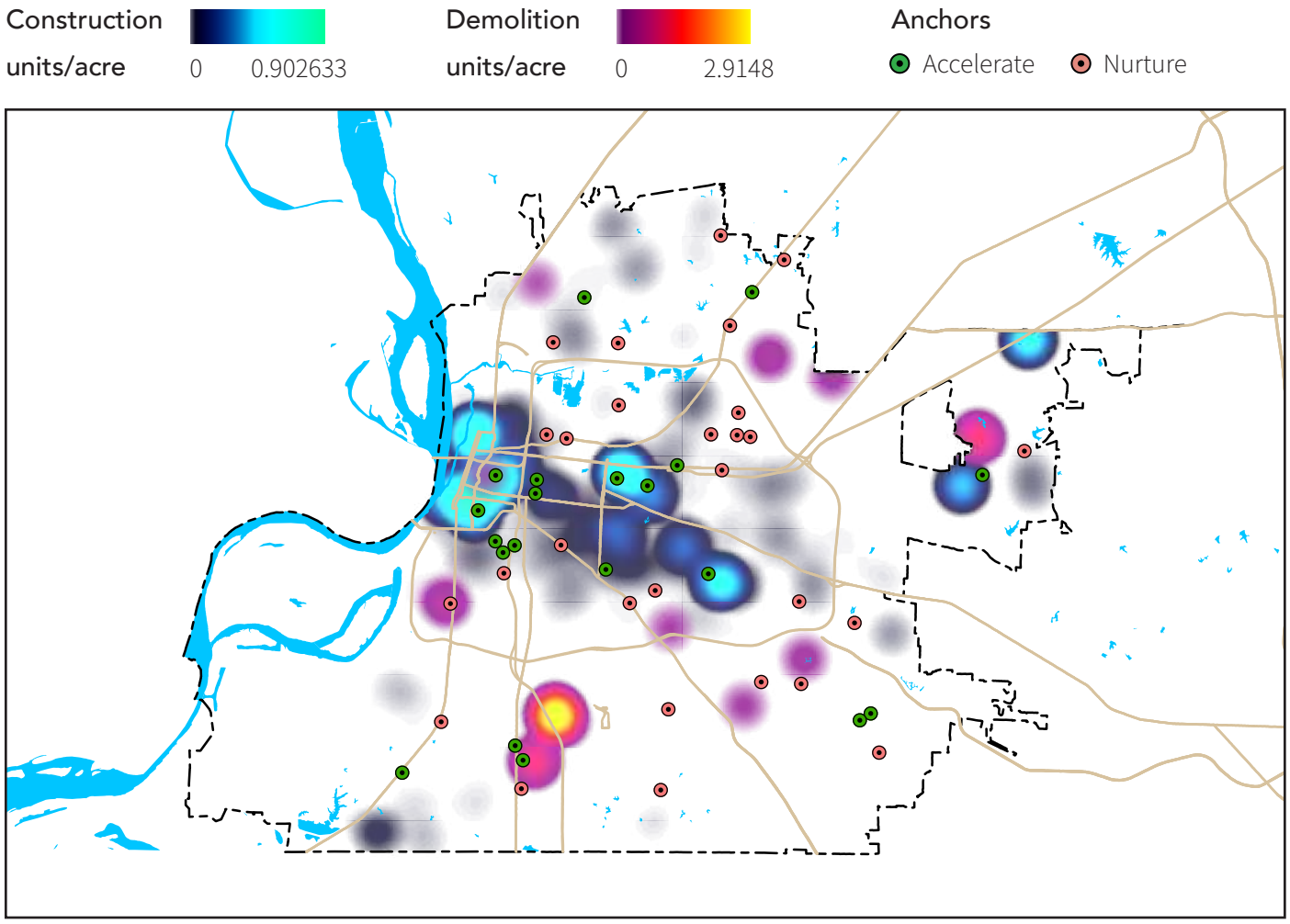
Another consideration impacting how Memphis communities are shaping up for the future is where most new construction activity is happening versus where most demolitions have occurred. Memphis has built more housing than it has demolished the past few years overall, but some communities are seeing far more demolitions and housing stock is not being replaced by new builds. While demolitions are necessary when a house is dilapidated beyond repair, they also contribute to neighborhood-wide challenges with vacancy and declining home values as covered in the previous section on housing quality.



CRA is revitalizing the historic Brick Church to create a community asset. Construction began in early 2026.

FIGURE 10

CONCENTRATION OF CITY CONSTRUCTION AND DEMOLITION SINCE 2020



Source: Shelby County DPD, building & demolition permits; City of Memphis, Memphis 3.0 anchors (2019)

The map above shows densities of both new construction and demolition smoothed over a one-mile search radius. North and South Memphis show the highest rates of demolition, while core neighborhoods in Downtown and Midtown have the lowest rates. Many areas where demolitions are far outpacing new builds have significant shortages of affordable units, while most new construction gravitates toward areas with modest shortages and higher median incomes. The demolition of existing housing stock in neighborhoods already suffering from acute affordable housing shortages raises serious questions about the future of these communities. Most new units are being built in Downtown, Midtown, and near East Memphis. Zip codes near Cordova and in Southwest Memphis show significant construction activity as well. Though some 3.0 anchors are close to hotspots of new construction, most fall into zip codes with considerably less new housing being built. A disproportionate number of new units are being



Belle | Mont is a 23-unit cottage court community, part of the City's Middle-Income Housing Pilot Program.

built in only one fifth of Memphis zip codes. This lack of alignment raises questions about progress toward the goals articulated in Memphis 3.0.

Infill development is the process through which new houses are built on vacant lots where previous structures have been demolished, and the primary way neighborhoods replace housing stock. Among the barriers Memphis housing leaders face with infill are: 1) limits on building multi-family developments that are more affordable for residents and financially feasible for developers; and 2) the higher degree of risk and uncertainty that comes with building on lots with prolonged vacancy.

Having the ability (i.e., the zoning and permitting) to build multi-family housing addresses multiple problems in a city like Memphis where many residents are cost burdened, living alone, and/or want to live closer to important assets in their community where space is limited. Based on residential permits in Memphis between 2022 and 2026, the average total construction to build single-family ($254,000) was similar to the cost to build duplex and townhome types ($245,000). The average cost per unit remains the same for single-family ($254,000), but this per-unit cost is significantly lower for duplexes and townhomes ($109,000). This makes it more affordable than if one household bears the full cost of the new build.[1] Developers can also collect rent from multiple households. Each unit rents for less than a single-family home would, but the combined rent is higher, which helps developers recoup costs more quickly.

Increasing access to these types of homes, alongside single-family ones, that are close to community assets like schools and transit lines multiplies the number of students who could enroll at their neighborhood school and the number of passengers who could ride the bus, leading to more investment in these institutions as well as stronger neighborhoods. *However, multi-family zoning is still very limited within the city, even in communities with significant resident need for more affordable options.* Census tracts where 50% or more of households are cost-burdened face a double challenge: more homes sit empty, and there is less room to build new multi-family housing. The housing vacancy rate in these tracts is much higher than citywide (19% vs. 12.5%), and tracts with both high cost burden and high housing vacancy average about 18 acres of vacant land zoned for multi-family per tract, compared to 25 acres elsewhere.[5,2,6]

Additionally, infill development can be risky when it comes to long-vacant-and-abandoned lots, deterring some builders from going where resident need and available land are high. These lots are more likely to have ownership issues where there is not a clear legal designee to transfer the property; higher costs to clear the land of trees, overgrowth, and debris; and aging infrastructure challenges like sewer taps and utility lines that require extra work to repair or install. Local agencies and funders should consider subsidizing these additional costs and/or providing financial backing to help cover risks when they emerge to strengthen development in low-density, high-need communities. Moreover, improving residents' economic mobility includes *both* greater inclusion in existing high-opportunity areas *and* increasing investment in marginalized areas.

Strategies in Place

Memphis is currently in the process of amending the local Unified Development Code in ways that will make affordable multi-family housing development less costly. Local leaders also successfully lobbied state officials to simplify building codes for multi-family requirements that lower construction costs and help diversify the city's housing stock. For example, smaller multi-family units are no longer required to have sprinkler systems or multiple staircases that used to be cost-prohibitive for missing middle development but did not have a measurable impact on fire safety. Memphis is now seeing an uptick in permitting activity for commercial multi-family properties. From 2021-23, only 24% of permits were for commercial multi-family; from 2024-2026, 67% of permits were for these types of properties and the absolute volume of projects increased by over 1,000 units.

City and County governments have launched new processes whereby the Shelby County Land Bank can transfer vacant lots at no cost to the Division of Planning & Development to go toward new affordable housing development. In August 2026, the County Land Bank transferred its first 181 lots to the City of Memphis in the Hyde Park area that will go toward missing middle housing and ideally increase residential density needed to bring other neighborhood amenities to the area like a full-service grocery store.

Nonprofit and quasi-governmental partners are also leading the way with holistic community development and infill housing strategies concentrated in specific neighborhoods. For example, organizations like the Community Redevelopment Agency (CRA), Habitat for Humanity, and The Works, Inc. all provide services in the same Tax Increment Financing (TIF) district just north of Downtown through infill housing, home repairs, mixed use development, and infrastructure repairs among other resources. When these activities happen simultaneously, they stabilize the whole community and are covered in more detail as a success to build on in our recommended solutions.

What's Missing

Continuing to push for more flexible zoning for multi-family residential development is essential, especially for residents who are cost-burdened and/or looking to downsize but have limited options to do so beyond living in single-family homes. Some of this work is underway with the City's pending five-year updates to the Memphis 3.0 plan, but there should be continued focus on how zoning, permitting, and land availability can support denser housing development in areas with high cost burden and/or high vacancy and demolition rates. Developers also need clearer implementation guidance and place-based incentives that tie new housing activity to Memphis 3.0 anchors to truly activate them.

Because infill development comes with many uncertainties and risks, public agencies should also work together on strategic investments like utility and sewer infrastructure, sidewalks, and legal support to clarify property ownership where infill needs are concentrated. These services benefit current residents as well as agencies rebuilding housing in areas with high vacancy and disinvestment. Given Memphis' population decline, infill needs to be intentional so as not to contribute to more vacant housing stock and should include a combination of neighborhood-enhancing amenities prioritizing mixed-use and low-maintenance upkeep.

SECTION 5

SOLUTIONS

Memphis is investing in housing development through numerous avenues including state and federal funding, the Affordable Housing Trust Fund, downpayment assistance, and eviction/foreclosure prevention programs. However, it is going to take more than direct investment to reach 10,000 new and renovated housing units by 2030.

Indeed, if we took the average construction costs of a new single-family home in Shelby County between 2022-2026, this comes to $254,000 per home or over $2.5 billion for 10,000 homes.[1] This figure does not even take recent inflation or non-construction costs into account. "Memphis cannot subsidize its way out of the housing crisis we face," as former City Chief of Development & Infrastructure John Zeneah noted in his presentation to City Council earlier this year.

Reaching the 10,000-unit goal is only partly a money challenge; it also requires aligning systems and institutions, easing administrative burdens, and focusing geographically to give communities a more stable foothold to build on. Our recommended strategies come from analyzing 15+ data sources, 38 stakeholder interviews, and conversations with Memphis leaders that shaped the findings of this report. A strong housing strategy includes five types of actions: Prevent, Preserve, Produce, Navigate, and Center.

PREVENT: Address potential housing quality and instability problems upstream before they turn into crises.

1 **Use a data-driven early warning system** to prioritize intervention resources for individual homes and neighborhoods starting to show signs of financial distress and/or deteriorating quality. The system could include a combination of indicators similar to the disinvestment index described in this report on housing quality (ex: code violations, legal complaints), neglect (ex: tax delinquency, vacancy), and need (ex: cost burden and poverty rate) to identify properties at moderate to high risk in communities where residents are likely to have fewer resources to repair them on their own.

Designated agencies would then contact property owners proactively to connect them with flexible funding/services for home repair and potentially identify opportunities to share repair costs and contractors across multiple nearby properties/homeowners where other residents are experiencing the same types of issues. Dedicating flexible funding to this effort is key for residents who have different types of repair needs or don't meet eligibility requirements for existing programs. Eligible homeowners could receive a mix of services like emergency roof repair, HVAC repair/replacement, plumbing and electrical repair, tax and insurance counseling, tax delinquency assistance, and larger forgivable loans for substantial rehabilitation. Neighborhoods with high cost burden and high foreclosure rates would be prioritized for homeowner preservation. The benefits of an early warning and response system include earlier and better-targeted intervention, more

efficient use of limited resources, stronger coordination across agencies, reduced public costs from displacement and blight, and more transparent, data-driven decision-making about where help is needed most.

2 **Establish a mediation-based Memphis Housing Court** to prevent evictions and navigate housing quality-related tenant-landlord conflicts. The Shelby County General Sessions Court could establish a special "housing court" docket requiring the parties involved to submit documentation and a time-limited plan of action to resolve tenants' financial hardship issues and/or landlords' repair responsibilities. In this way, an eviction filing becomes an early warning event rather than the end of the process. Some cases may still result in eviction, but others can be resolved without the resident losing their home and without the landlord losing rent.

Nashville's L.E.G.A.C.Y Housing Resource Diversionary Court offers an excellent model and specifically handles tenant nonpayment cases. The program uses a housing navigator and a phased process that can include mediation and applying for assistance before displacement occurs. At a minimum, requiring the parties involved to submit documentation that makes the eviction filing rationale part of the court record will help public administrators understand the push factors that lead to evictions and develop more tailored prevention programs.

> **PRESERVE:** Allocate more resources to housing maintenance programs before aging and vacant homes are beyond repair.

3 **Develop a coordinated, rapid response plan across local agencies for vacant properties.** Today, several local public and nonprofit agencies play roles in identifying, acquiring, and returning vacant properties back to productive use, albeit in a fragmented way. The City and County manage land banks to hold vacant lots that have been tax delinquent for several years while City Code Enforcement initiates the process of citing violations, boarding up and maintaining the exteriors of neglected properties, and pursuing condemnation and demolition when necessary. Several public and nonprofit community development organizations acquire these properties to rehabilitate them. When so many organizations take on different pieces of this complex issue, it can lead to delayed handoffs between agencies, diffuse accountability, and key issues falling through the cracks that can prolong stagnancy and deterioration.

Bringing these entities together more regularly to review the whole portfolio of vacant properties, diagnose root causes to address, and assign specific leads to take the next action could accelerate our collective ability to return more properties to productive use before the point of no return. Common types of actions could be:

- Tracking down absentee owners to hold them accountable for code violations
- Helping families with heirs' properties that don't have a clear title clarify ownership so they can access title insurance, loans for repairs, or a simpler legal path to transfer ownership if desired



- Identifying legal and financial aid to resolve tax foreclosures
- Fast-tracking financial resources where repairing a vacant property is less expensive than demolishing it
- Coordinating receivership and disposition of properties more quickly when an owner does not follow through on preserving it themselves within a reasonable timeframe

4 **Explore a Small Landlord Support Program** to encourage more timely repairs for rental properties tailored to small landlords who lack the capital to maintain older properties due to steep inflation and/or unexpected financial crises. This program could offer repair assistance through grants or low-to-no interest loans for rental owners to update and repair existing older homes in exchange commitments such as maintaining the unit as affordable for a defined period, meeting housing quality inspection standards, no evictions for a defined period except for specified causes, and participation in a voluntary rental registry. A portion of the Memphis Affordable Housing Trust Fund and/or other revenue sources could be set aside for this purpose.

> **PRODUCE:** Reduce administrative barriers and coordinate a variety of investments within neighborhoods to deliver affordable housing for residents.

5 **Streamline pre-development processes and costs**. As noted earlier in this report, developers consistently highlighted challenges navigating long lag times; a complex web of approvals, inspections, and regulations from up to six agencies; and significant, sometimes unexpected infrastructure costs. All of these issues contribute to slowing down affordable housing production and increasing costs passed down to residents who can't afford them. Tackling these issues would encourage more housing development, particularly from small nonprofits, CDCs, and/or emerging developers. This requires a coordinated, central process across entities such as City Housing & Community Development, the City-County Division of Planning & Development, Memphis Light, Gas & Water (MLGW), City Engineering, and City Public Works. Other jurisdictions have implemented process improvements and service standards we could adopt like:

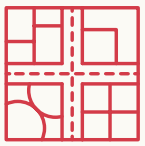
- Pre-application meetings to confirm all expected steps/costs with developers
- Maximum permit review periods to review and request corrections on applications
- Consolidated project review across multiple agencies simultaneously
- Early utility/infrastructure feasibility assessments and cost estimates

Additionally, finding a consistent source of funding for the Housing Trust fund and/or additional financing programs to help cover pre-development costs and unexpected infrastructure repairs or modifications would help facilitate more housing production.

6 **Scale up successes like the Community Redevelopment Agency's (CRA) Tax Increment Financing (TIF) District model** in neighborhoods with high vacancies, cost burden and housing insecurity rates. The TIF District model captures the increase in property taxes from new development. These funds are then reinvested in the neighborhood to encourage ongoing improvement, providing a dedicated funding source to stack multiple interventions simultaneously such as infill housing production, home repair, and infrastructure investments. CRA's Essential Housing approach offers a promising way to increase neighborhood-wide housing stock and stability, largely through infill development on vacant lots. In its first year, the Essential Housing program included 60 vacant lots, $1.5 million in support of developers, and 93 proposed affordable units. The CRA has also coordinated other types of development and land use beyond housing that address multiple neighborhood needs from repairing sidewalks to building parks, recreation sites, and community gardens.

Rather than treating those projects as individual developments, an Essential Neighborhoods strategy would identify a new

ESSENTIAL NEIGHBORHOODS STRATEGY

 **Housing production**	 **Housing preservation**	 **Property stabilization**	 **Resident stability**	 **Neighborhood infrastructure**
• infill homes • diversity of housing types	• homeowner repair • rental rehabilitation • weatherization	• vacant-property acquisition • demolition where necessary • adaptive reuse	• eviction prevention • foreclosure prevention • housing resource navigation	• utilities (water, gas, electric, and sewer) • sidewalks • lighting • drainage • parks/ community spaces

set of neighborhoods experiencing significant housing vulnerability and enact multiple interventions simultaneously. This coordinated, holistic approach fits particularly well with Memphis 3.0's emphasis on infill, neighborhood vitality, and diverse housing options across dimensions like the table above.

It would also build upon the coordinated partnerships already emerging among agencies and departments including Housing and Community Development (HCD), Division of Planning Development (DPD), Memphis Light, Gas and Water (MLGW), and Engineering. By aligning resources, processes, and expertise across the entities, the City can address housing challenges more comprehensively and reduce barriers that often slow neighborhood investment.

Equally important are the partnerships with the private sector including banks and other lending institutions, architects, builders, developers, and other housing professionals. Bringing these partners to the table early can help align financing, design, infrastructure, technical assistance, and development capacity around shared neighborhood goals. Together, these public-private- sector partnerships can create a more coordinated investment strategy that supports not only the production of new housing, but also neighborhood stabilization, revitalization, and long-term vitality.

7 **Test Housing Opportunity Zones** that allow the City to do targeted zoning reform in areas with high cost burden and vacancy that are currently zoned almost exclusively for single-family homes. Prioritize small multi-family developments that increase the diversity of housing types and price points available for residents, especially near Memphis 3.0 anchors and assets like schools, transit lines, and job sites. Zoning reform alone will not produce affordable housing. A developer may technically be allowed to build a fourplex, but if land, financing, infrastructure and construction costs make the project impossible, zoning doesn't accomplish much. Pairing it with land, subsidy, and infrastructure reform makes this intervention more impactful. Memphis has already been working on missing middle housing and

code reforms including allowing certain 3–6-unit structures to use residential instead of commercial building codes and allowing pre-approved plans that require fewer pre-development steps to receive permits. Ensuring communities have a clear path to take advantage of these reforms is critical for them to result in tangible, neighborhood-level change.

> **NAVIGATE:** Simplify the paths for residents and developers to access affordable housing resources, saving them time and money while increasing uptake.

8 **Create resident- and developer-facing Housing Concierge functions** that establish a single entry point for each group to navigate the resources and requirements for affordable housing programs. Findings in this report point to complicated processes and fragmented programs on both the supply and demand sides of affordable housing. On the resident side, a household might need rental assistance, eviction prevention, utility assistance, homelessness prevention, and legal assistance, which requires a user to go to multiple websites and input the same information multiple times. Moreover, there is no upfront guarantee that they will meet program eligibility requirements or avoid a long waitlist and get the resources they are pursuing. A single online application that asks, "What is happening with your housing?" and screens the household for multiple forms of assistance is a first step. Pairing an online resource hub with a staff navigator who follows each resident's case until referrals and resolutions are assured is a second step. The staff navigator could also play an important role confirming when different programs are open for applications or experiencing long waitlists to divert residents from the latter and escalate unmet needs to public and philanthropic funders to request more support. The City's Internal Innovation team has begun work revamping the Home901 online portal as a digital repository for housing quality resources and designing a "one front door" model alongside Tennessee Valley Authority, MLGW, HCD, and Southwest Human Resources Agency. It will serve as a hub for home repair and weatherization programs coupled with intake, caseworker and navigation services.

The same type of infrastructure could work on the developer's side to coordinate both preservation and new housing production. First, key agencies and divisions like Housing & Community Development, Planning & Development, Public Works, MLGW, and Engineering could establish a shared developer-facing portal that integrates all requirements and approval steps. The portal would include a publicly trackable project status, reducing the time and uncertainty that make small-scale affordable housing financially infeasible. As with the resident tool, the portal could also identify any affordability subsidies and incentives the developer qualifies for to improve awareness and uptake. A designated concierge would serve as a single point of contact to help developers coordinate permitting, utility and infrastructure installation, environmental review, code inspections, subsidies and incentives and remove barriers when the process is stuck.

> **CENTER** residents' perspectives so there is better alignment between housing supply and demand.

Resident buy-in is essential to successful housing planning because it's not simply a matter of building units; it is about strengthening neighborhoods, protecting residents' ability to remain in their homes, and ensuring that public and private investment respond to community needs. Residents bring knowledge of local housing conditions, neighborhood priorities, and the barriers that may not be visible in market analyses or administrative data. This is particularly important in Memphis, where housing strategies must address affordability, homeownership, reinvestment in distressed neighborhoods, and significant income inequality.

Done well, resident participation helps translate broad housing goals into clear, welcome improvements in communities. The CRA model of advisory committees has been successful at giving residents a say in neighborhood development decisions. Other channels include participatory budgeting to give residents a role in deciding how neighborhood improvement funds are allocated, and community-based monitoring to track whether projects deliver promised affordability, housing quality, and neighborhood benefits. Producing an annual Memphis housing accountability report could help with this feedback loop. Reporting would track which resident recommendations were adopted, what changed as a result, and why other recommendations were not adopted so residents are informed and see the value of their input.

Conclusion

While our research and reporting focus mostly on direct housing production and resident needs, access to affordable, high-quality housing supply is only half of the equation. Rather than asking, "How do we make housing cheaper?" we also need to be asking, "How do we increase the economic capacity of Memphis families to improve their housing stability and expand their housing choices?" A comprehensive Memphis strategy should tie housing policy to growing residents' income and wealth, not just the housing supply. This requires connecting housing interventions with workforce development, living-wage employment, transportation access, financial counseling, small business development, credit building, property tax stabilization, and intergenerational wealth building. Stabilizing affordable housing is an important first step so that residents can build savings and prioritize other needs to become upwardly mobile, but socioeconomic mobility will require just as much coordination and investment across local leaders, agencies, and partners for our community to thrive.



CRA partnered with CAAP Inc. and leverages multiple public funding sources to redevelop vacant properties in North Memphis into affordable housing for seniors and families. The Place of Grace apartment building celebrated its ribbon cutting in December 2025.

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METHODOLOGY APPENDICES

Appendix A: Qualitative Methodology

The MARCA team conducted thirty-eight qualitative semi-structured interviews, covering a range of stakeholders with varied experiences in housing. Twenty-six interviews were with stakeholders connected to housing and community development, housing related services, and local government (for clarity, we categorized these as non-resident stakeholders). Twelve interviews were with Memphis residents across the city (resident stakeholders).

For non-resident stakeholders, MARCA and Innovate collaborated to come up with a list of potential stakeholders such as developers or institutional stakeholders that have expertise in affordable housing. These included housing developers and non-profit and local government potential stakeholders. Participants were recruited through the research team's existing contacts with the City of Memphis, Community Development Corporations, and with the assistance of Innovate Memphis. We also asked participants to recommend other potential interviewees (snowball method) to recruit additional participants. Stakeholders were recruited via email and/or a phone call (using publicly available numbers and/or email addresses).

Resident stakeholders had to fit the following criteria: Be 18 or older AND either 1) currently receive a housing voucher, Section 8, or live in public housing, 2) spend more than 30% of their income on rent and housing expenses, or 3) be a first-time home buyer that purchased a home in the last 18 months. We also opened recruitment for senior homeowners who spent more than 30% of their income on their mortgage.

Resident recruitment included several strategies. Residents were recruited through the MARCA research team's existing professional contacts with the Greater Memphis Housing Justice Project, Klondike Smokey City CDC, and The Works. The MARCA team also sent resident recruitment flyers to several of the non-resident stakeholders and asked them to share the flyer with the populations they served. In addition, the MARCA research team conducted targeted in-person recruitment in different geographic areas across Memphis. For example, several of the MARCA team passed out recruitment flyers and spoke to residents at the South Memphis Farmers Market and at locations across Memphis where The Works' mobile grocer visited (mainly in North and South Memphis). The team also asked several public library branches to hang flyers in public facing areas. Residents also shared the flyer with people that they knew. As a token of appreciation, resident interviewees received a $50 gift card after completing the interview.

Interviews were conducted by the MARCA team between June 2026 and August 2026. Each interview was done with a two-person team. Each semi-structured interview protocol consisted of 10-18 open-ended questions. Written consent forms were signed prior to the interview (either emailed for virtual interviews or signed in-person).

Non-resident stakeholder interviews were conducted in-person or via Teams and lasted from 30 min to 1.5 hours. Resident interviews were held in-person at a location of their choosing and ranged from ~15 to 30 minutes. All interviews were audio recorded, transcribed, verified, and then de-identified for coding. MAXQDA was used for qualitative analysis. The MARCA team used a mix of deductive and inductive coding to come up with the main themes.

Non-Resident Stakeholder Summary: We interviewed twenty-six stakeholders from across the housing ecosystem. This included: seven non-profit developers, six for-profit developers, seven representatives from the local government or quasi local government agencies (city and county), two advocacy organizations, two from for-profit management companies, one housing counselor, and one from the housing financing sphere.

Resident Summary: We interviewed a total of twelve Memphis residents (Table 1). Eleven residents were renters and one, a homeowner. Of the renters, eight were private renters, and three had rental vouchers. In terms of race, gender, & age, the residents interviewed were all Black women between the ages of 35 to 79 years old. The median age was 52. Seven residents had children or grandchildren that lived with them, and five lived alone. Residents lived across the following geographical areas in Memphis: North Memphis (38107, 38108), South Memphis (38106, 38116), East Memphis (38111) and Northeast Memphis (38134), with half of the residents interviewed living in the North Memphis area. The length of time residents lived in their current housing unit ranged from two weeks to eleven years, with the average time being just over 5 years. Most resident interviewees are native Memphians. Additionally, residents experienced a range of other barriers due to having a disability, raising a child with a disability, previously experiencing being unhoused, experiencing significant or chronic health conditions, and/or being single mothers (or grandmothers raising grandchildren).

RESIDENT STAKEHOLDER DESCRIPTIONS

Homeowner Private renter Renter with voucher

Zip Code	Race	Gender	Age	Who lives with them	Current Neighborhood/Area	Length in current residence
38116	Black	Female	79	lives solo	Whitehaven	11 years
38111	Black	Female	47	lives solo	Audubon Park	2 months
38134	Black	Female	51	grandson	N.E. Memphis	2 weeks
38108	Black	Female	65	grandson	Hollywood	6 years
38106	Black	Female	38	her kids	S. Memphis	8 years
38106	Black	Female	65	son	S. Memphis	3 years
38107	Black	Female	35	lives solo	Klondike	5 1/2 years
38107	Black	Female	/	2 kids	N. Memphis	1 year
38107	Black	Female	59	lives solo	N Memphis	5+ years
38107	Black	Female	47	lives solo	Vollentine-Evergreen	10 years
38107	Black	Female	39	daughter	Vollentine-Evergreen	10 years
38111	Black	Female	47	2 daughters	Audubon Park	3 years

METHODOLOGY APPENDICES

Appendix B: Quantitative Methodology and Data Sources

This report draws on federal, local, and proprietary data to describe housing supply, affordability, quality, and development trends. Unless noted otherwise, calculated figures refer to housing trends within the Memphis city limits.

Projecting Progress Toward 10K Housing Units: Unit counts toward the 10K goal run from January 1, 2024, through June 30, 2026 and include new construction, accessory dwelling units, affordable rehabilitations, and a portion of market-rate rehabilitations; more complete market-rate rehabilitation data collection begins in 2027. The 2030 projection is based on the monthly average number of units produced through June 30, 2026 and assumes the same number of units will be produced on average for the 54 months remaining between July 1, 2026 and December 31, 2030.

Affordable Housing Shortages and Needs: The analysis on affordable housing shortages uses the U.S. Department of Housing and Urban Development's (HUD) most recent Comprehensive Housing Affordability Strategy (CHAS) data (2018-2022), released in December 2025. CHAS data are special tabulations of the American Community Survey prepared by the U.S. Census Bureau for HUD. Because HUD does not publish household area median family income (HAMFI) values used in the CHAS tables, dollar values reported with affordable shortage maps are derived from the 2018-2022 ACS 5-year median family income estimate for the Memphis, TN-MS-AR HUD Metro Fair Market Rent (FMR) Area, the closest approximation available.

Cost burden (Table 8) at the census tract level was calculated separately for renters and owners as burdened households divided by total households in each group.

Affordable housing shortages (Tables 8, 14b, and 15c) equal the number of renter households in an income band (e.g. at or below 30%, 50%, 80% AMI) minus the number of affordable and available homes, meaning homes that are either vacant and affordable for that band or occupied by a renter household in that band. The method adapts the National Low Income Housing Coalition (NLIHC) framework.

The report's "30 % AMI" refers to the CHAS category of households at or below 30 percent of HUD Area Median Family Income (HAMFI). This approximates, but does not exactly replicate, NLIHC's extremely low income category, which uses the greater of the federal poverty guideline or 30 percent of area median income; no poverty adjustment was applied here.

Tract-level CHAS data was used to map housing need, and tract estimates may not sum exactly to the Memphis total due to boundaries, sampling error, and rounding.

Eviction and Foreclosure Analysis: The eviction and foreclosure analysis compares eviction rates with renter cost burden rates and foreclosure rates with owner cost burden rates using CHAS data. The eviction rate is eviction filings per 1,000 total households in a tract. The foreclosure rate is foreclosure deeds per 1,000 owner-occupied households, since foreclosure is an owner-side event and using total households would understate the rate in tracts with fewer owners. Both measures span about 10 years (2016–2026) to smooth over year-to-year fluctuations, including disruptions from pandemic-era eviction moratoria. Quartiles were used to group tracts by cost burden, comparing average eviction and foreclosure rates between the most and least cost-burdened neighborhoods.

How the Disinvestment Index Works

Indicator	Data Source and Year(s)	Scoring
Change in Appraisal Value	Shelby County Assessor of Property appraisal value per square foot, 2013 (baseline) and 2026 (most recent)	1 = change in value is 75% of a standard deviation lower compared to surrounding homes; 2 = change in value is 150% of a standard deviation lower
Physical Stagnation	Shelby County Assessor of Property dwelling history, all years between 1998 and 2026	1 = No record of improved or changed fixtures, rooms, or size in dwelling history AND size and fixtures are less than the neighborhood median
Sales Gap	Shelby County Assessor of Property sales records for the past 15 years, 2011-2026	1 = Property has not sold in the past 15+ years; excludes no-cost transfers of ownership
Tax Delinquency	City of Memphis Trustee tax delinquent roll for all currently delinquent properties	1 point for each year the property has been delinquent
Vacancy	U.S. Postal Service vacant property report	1 = Property is currently reported as vacant as of 2026
Code Violations	City of Memphis Code Enforcement code violations from 2019 to 2026	1 point for each distinct structural or non-structural code violation at the property during the past 7 years (max 3); 1 point if all violations are older
Overall Risk Score	Total points from the sources above	All properties with a score of 4+ are flagged as high-risk for poor quality

Housing Quality Disinvestment Index: The Innovate Memphis disinvestment index addresses the lack of data on housing quality. Designed as a prioritization tool rather than a definitive property-condition assessment, it scores 310,653 residential parcels across Shelby County. Parcels with 4 or more points are considered at risk of disinvestment; scores above 4 do not necessarily indicate greater risk. Code enforcement violations are limited to the past 7 years to exclude violations that may be resolved or no longer relevant. See the table below for a detailed point system and source.

Development Near Memphis 3.0 Anchors: Maps presenting the Memphis 3.0 anchors include a half-mile buffer around the point, which was used to calculate the number of units built within this radius using straight line distance.

AI Usage: AI tools supported the preliminary stages of exploratory analysis. Claude was used to generate report summaries and narratives of datasets to prompt further exploration, and Databricks Genie was used to explore trends across multiple tables. Databricks Genie also provided a methodology for a draft version of the disinvestment index. All AI-produced artifacts and trend indicators were reviewed and validated by staff, and no AI-generated content is included in the final report.