

# CONVERGENCE

UNITING FOR HOUSING AFFORDABILITY

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## CONVERGENCE Memphis Progress Report

May 2021

In our first year of operation, CONVERGENCE Memphis has made measurable progress. Despite the onset of the COVID-19 crisis shortly after our March 2020 launch, we continued the work we set out to accomplish through a series of virtual convenings.

The first phase of CONVERGENCE Memphis focused on aligning industry practitioners around our shared goal of moving the needle on African American homeownership in Memphis (see Performance Dashboard in Appendix). We formed a Steering Committee, Lender Working Group, Real Estate Professionals Working Group, and three consolidated workstreams to address the knowledge, trust, market, and resource gaps that hinder African American homeownership in Memphis. Collectively, these groups successfully produced a variety of webinars, training sessions, forums, and roundtables for industry practitioners.

In the fall of 2020, we began to shift into our second phase, focused on community engagement. We hosted our first two homebuyer fairs and a career fair. Looking to the future, CONVERGENCE Memphis will become a 501(c)(3) collaborative with full-time executive leadership and operating capital in 2021. The rest of this report outlines our progress to-date.

### Organizational Structure:

Steering Committee	Lender Working Group	Real Estate Professionals Working Group	Three Consolidated Workstreams
<ul style="list-style-type: none"><li>• 50 leaders from the Government, Housing Finance, and Nonprofit sectors</li></ul>	<ul style="list-style-type: none"><li>• 31 Members</li></ul>	<ul style="list-style-type: none"><li>• 18 members</li></ul>	<ul style="list-style-type: none"><li>• Consumer Outreach and Education</li><li>• Affordable Products and Programs</li><li>• Market Solutions and Resources for Practitioners</li></ul>

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## Activities as a Whole:



## By workstream:

- **The Affordable Products and Programs workstream is working on the following:**
  - Planning local popup centers around community buildings such as beauty shops, churches, and public areas. These popups will feature information on becoming a homeowner and maintaining homeownership
  - Developing a family-learning financial education pilot of the Vault and Empowerment Resource Library with the Memphis local Girl Scouts and Stand By Her organization
- **The Market Solutions and Resources for Practitioners workstream has achieved the following:**
  - Produced the Down Payment Resources Webinar
    - [Down payment assistance finder tool](#) is operational on the [Home901.org](#) website and the [CONVERGENCE Memphis Industry Practitioner Toolkit](#). (Home901 is a local program that shares housing resources and provides support to families throughout the City of Memphis)
    - [Information sheet on down payment assistance](#) is available on the [CONVERGENCE Memphis Events & Resources Page](#)
  - Held the “Rehab and Renovation Products” webinar with Fannie Mae, Freddie Mac, and Planet Home Lending and is working on future webinar ideas for 2021
  - Hosted two virtual outreach events for the Not OK? That’s OK campaign, to connect consumers with tools to help them pay their mortgage during the COVID-19 crisis
  - Currently, this workstream is finalizing a consumer toolkit of resources to complement the [industry practitioner toolkit](#) for the CONVERGENCE Memphis website
  - This workstream is also working on making information on rehab, repair programs available online on the [Home901.org](#) website. Currently, [Home901.org](#) includes the Memphis Eviction Settlement Fund intake form, info on the CDC moratorium and down payment assistance, and the down payment tool

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In addition to these workstreams, CONVERGENCE Memphis has also formed a Servicing and Distressed Properties workstream as a result of the COVID-19 pandemic. The group meets weekly and consists of four subgroups, which also meet weekly:

Market  
Monitoring

Borrower  
Communications

FHA  
Conveyance  
Programs

Vacant &  
Distressed  
Properties

CONVERGENCE Memphis is now planning for the following community engagement activities in 2021:

Financial Counseling & Money Management Webinar

Foreclosure & Eviction Prevention Webinars

Community Popup Centers

Expanded Financial Literacy Pilot Programs

CONVERGENCE Memphis now has a fully functioning [website](#), which includes the following pages:

- [CONVERGENCE Memphis Steering Committee](#)
- [CONVERGENCE Memphis Events & Resources](#)
- [CONVERGENCE Memphis COVID-19 Resources](#)
- [CONVERGENCE Memphis Homebuyer Fair Resources](#)
- [CONVERGENCE Memphis Industry Practitioner Toolkit](#)

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CONVERGENCE Memphis has contributed the following:

**\$500** to Habitat for Humanity of Greater Memphis's Health & Housing Summit

**\$2,500** to Volunteer Memphis's MLK Days of Service

**\$5,000** to United Housing, Inc. to improve their financial education intake process

**\$10,000** to Innovate Memphis to support down payment assistance, housing counseling, and other programs

We have raised \$260,000 in capital to fund the first stage of operations for the CONVERGENCE Memphis 501(c)(3) Collaborative.

As we approach the second half of 2021 and prepare for 2022, we plan to continue our ramp-up of community engagement activities. We will explore partnerships with other organizations outside of the housing sector, such as churches, schools and other community stakeholders, to collaborate with us on our efforts to close the African American homeownership gap in Memphis. We believe we have developed a strong foundation for continued success in these efforts. We look forward to continuing to move the needle on African American homeownership in Memphis.

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## Appendix

### Memphis Dashboard – Background – Updated May 13, 2021

#### Quick Facts - Shelby County vs. US (Source: US Census)

		Shelby	US
Population	Population (2019)	937,166	328,239,523
	Population (2010)	927,644	308,745,538
Age	Persons under 5 years (%)	6.9%	6.0%
	Persons under 18 years (%)	24.8%	22.3%
	Persons 65 years and over (%)	14.0%	16.5%
Race and Ethnicity	White alone (%)	40.9%	76.3%
	Black or Afr Amer alone (%)	54.3%	13.4%
	Hispanic or Latino (%)	6.6%	18.5%
Housing	Housing units, July 1, 2019	407,273	139,684,244
	Owner-occupied housing unit rate, 2015-2019	55.1%	64.0%
	Median value of owner-occupied housing units, 2015-2019	\$ 150,400	\$ 217,500
	Median selected monthly owner costs -with a mortgage, 2015-2019	\$ 1,380	\$ 1,595
	Median selected monthly owner costs -without a mortgage, 2015-2019	\$ 499	\$ 500
	Median gross rent, 2015-2019	\$ 942	\$ 1,062
	Building permits, 2019	1,255	1,386,048
Families & Living Arrangements	Households, 2015-2019	351,194	120,756,048
	Persons per household, 2015-2019	2.62	2.62
	Living in same house 1 year ago, 2015-2019 (%)	85.2%	85.8%
Education	High school graduate or higher, % of persons age 25 years+, 2015-2019	88.4%	88.0%
	Bachelor's degree or higher, % of persons age 25 years+, 2015-2019	31.6%	32.1%
Health	With a disability, under age 65 years, percent, 2015-2019	8.9%	8.6%
	Persons without health insurance, under age 65 years, percent	13.6%	9.5%
Income and Poverty	Median household income (in 2019 dollars), 2015-2019	\$ 51,657	\$ 62,843
	Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$ 30,104	\$ 34,103
	Persons in poverty, percent	17.2%	10.5%

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## Mortgage Originations and Approval Rates (Source: HMDA)

		2014	2015	2016	2017	2018	2019
Memphis MSA	Loans Originated	21,964	24,776	27,913	26,324	27,437	30,853
	Loans Originated (Black /Afr Amer)	4,420	5,061	5,795	5,641	5,564	6,652
	Approval Rate (all)	71%	73%	71%	76%	75%	77%
	Approval Rate (Black /Afr Amer)	54%	57%	56%	60%	61%	64%
Shelby County	Loans Originated	13,568	15,288	17,421	16,185	17,016	19,145
	Loans Originated (Black /Afr Amer)	2,935	3,361	3,823	3,624	3,552	4,148
	Approval Rate (all)	70%	72%	71%	75%	73%	76%
	Approval Rate (Black / Afr Amer)	51%	54%	54%	58%	57%	60%

## Shelby County - Black/Afr Amer - Reasons Given for Denial (Source: HMDA)

	2014	2015	2016	2017	2018	2019
Credit history	994	895	781	846	1,209	1,455
Debt-to-income ratio	304	279	336	370	622	587
Collateral	221	242	246	195	325	263
Credit application incomplete	106	116	127	130	220	209
Insufficient cash (downpayment, closing costs)	49	55	33	42	102	79
Unverifiable information	25	45	51	56	35	75
Employment history	10	10	18	16	18	22
Other or Null	1,518	1,563	2,101	1,284	307	267
<b>Grand Total</b>	<b>3,227</b>	<b>3,205</b>	<b>3,693</b>	<b>2,939</b>	<b>2,838</b>	<b>2,957</b>

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## Owner-Occupied Affordability—Memphis MSA (Source: National Association of Home Builders)

	Median Price (\$000)	Median Income (\$000)	Housing Opportunity Index **	HOI for all US
2012 Q3	127	59.1	79.5	75.1
2013 Q3	130	58	76.2	64.3
2014 Q3	150	56.7	70.4	63.0
2015 Q3	167	58	64.7	63.0
2016 Q3	165	60.1	70.8	62.8
2017 Q3	170	60	67.7	59.1
2018 Q3	172	64.2	70.0	56.9
2019 Q3	185	65.9	73.3	63.6
2020 Q3	212	67.9	71.9	63.3
2021 Q1	200	68.7	75.6	63.1

**\*\* NAHB Housing Opportunity Index: Affordability measured by the share of home sales for which the monthly income available for housing is at or above the monthly cost for that unit.**

## Rental Burdens 2018—Memphis MSA (Source: Harvard Joint Center for Housing Studies)

(Where moderate (severe) rent is 30-50% (> 50%) of income)

Income Level	Memphis – Moderate	Memphis – Severe	US – Moderate	US – Severe
Under \$15,000	10%	77%	10%	75%
\$15,000–29,999	46%	34%	33%	51%
\$30,000–44,999	50%	7%	46%	18%
\$45,000–74,999	12%	1%	28%	4%
\$75,000 and over	2%	0%	7%	0%
All Incomes 2018	24%	29%	23%	26%
All Incomes 2016	22%	29%	22%	25%
All Incomes 2008	23%	28%	23%	26%