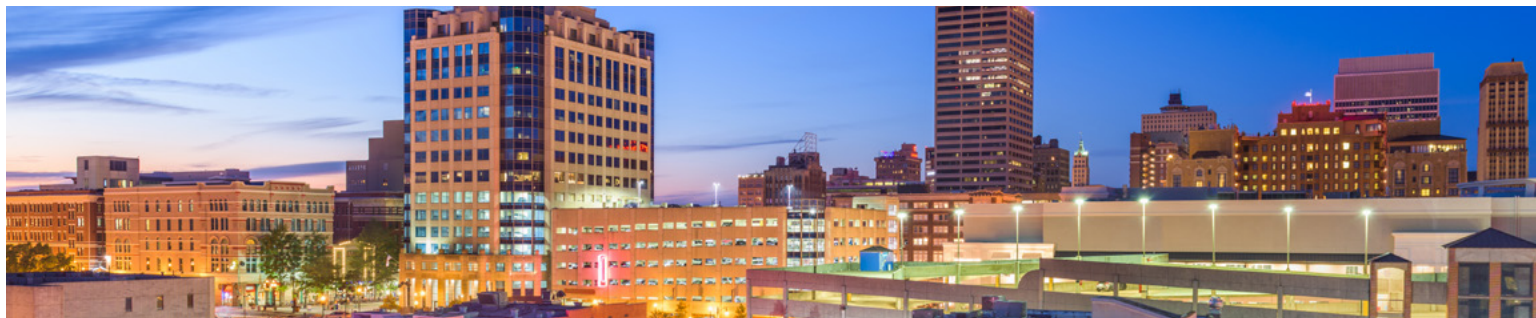




CASE STUDY

CONVERGENCE

UNITING FOR
HOUSING AFFORDABILITY

MEMPHIS®

Revitalization Through Affordable Infill Development: The Zodiac Road Project

The Zodiac Road Building Project in Memphis' Whitehaven Hills community represents a strategic, community-rooted effort to address the city's critical shortage of affordable starter homes. The project turned long-vacant lots into 10 newly constructed, energy-efficient homes priced around \$200,000, filling a critical market gap for moderate-income buyers unable to find attainable homes in the existing housing stock. More than a construction effort, Zodiac Road showcases how collaboration between nonprofit developers, municipal agencies, lenders, and local builders can create meaningful, scalable solutions for overcoming persistent housing inequities.

FROM CONCEPT TO COMPLETION

PLANNING AND LAND PREPARATION:

When CONVERGENCE Memphis and United Housing, Inc. (UHI) identified vacant lots on Zodiac Road as a potential development site, they understood the project would require more than simply building houses; it would require building opportunities in a neighborhood that had not seen new starter-home construction in years. Because these lots were infill parcels, they required significant preparation. Sewer and utility upgrades were necessary to ready the land for residential construction, and these improvements were made possible through a close partnership with Memphis Public Works. Tackling infrastructure challenges early ensured that the project could move forward without costly delays later in the process.

OVERCOMING APPRAISAL AND FUNDING BARRIERS:

Like many affordable housing developments in historically disinvested neighborhoods, the Zodiac Road homes faced an appraisal gap: the market value of the completed homes fell short of construction costs. Rather than allow this barrier to halt progress, UHI collaborated with the City of Memphis to allocate unused federal Coronavirus Relief Funds to bridge the financial gap. This innovative solution to reallocate the funds not only made the project viable but also demonstrated the role of public funding in reducing risk for essential housing development.



LOCAL CONSTRUCTION AND COMMUNITY STEWARDSHIP:

Construction was carried out by a local builder whose familiarity with Memphis neighborhoods and commitment to community-focused development were central to the project's success. The builder worked closely with UHI to ensure the homes reflected both affordability and quality, including nine four-bedroom, two-bath homes and one three-bedroom, two-bath home suitable for growing families. As UHI Executive Director Amy Schaftlein noted, these homes offer "a new type of progress," giving qualified first-time buyers access to homes that had simply not existed in the recent Memphis market.

COMMUNITY ENGAGEMENT AND BUYER OUTREACH:

From the beginning, community engagement was treated as a core component — not an afterthought. UHI held three community meetings to share plans, invite questions, and foster dialogue with Whitehaven residents. While some attendees expressed concerns typical of "not in my backyard" responses, transparent communication and clear explanations of affordability goals helped build trust and support.

To ensure accessibility for first-time buyers, each home was paired with down payment assistance through a local lender. UHI and its partners also

used real estate agents and the organization's online platform to market the homes and connect with buyers ready to plant roots in the Whitehaven area.

A MODEL FOR SUSTAINABLE, COMMUNITY-ALIGNED DEVELOPMENT:

The Zodiac Road project stands as a demonstration of what coordinated investment can achieve. The homes themselves provided new inventory in a city where affordable starter homes had become increasingly rare. Just as importantly, the project revitalized underused land, strengthened neighborhood confidence, and offered families a stable path to homeownership. The impact extends beyond the properties: it contributes to increasing nearby property values, fosters long-term stability, and sets a precedent for similar infill development across the city.

LESSONS LEARNED AND TIPS FOR REPLICATION

- 1. Early collaboration with public agencies is essential:** Infrastructure issues, like sewer upgrades, often delay or derail infill projects. Engaging municipal departments early makes it possible to anticipate and resolve site challenges before they become prohibitive.
- 2. Appraisal gaps require creative, flexible funding solutions:** In undervalued markets,

affordable homes often cost more to build than they appraise for. Identifying gap-funding tools, such as federal recovery funds, local subsidy programs, or down payment assistance, should be part of the planning process from the start.

- 3. Community engagement builds trust and mitigates resistance:** Transparent conversations, consistent updates, and space for resident concerns reduce misunderstandings and help communities embrace new housing development.
- 4. Local builders bring added value:** Working with contractors rooted in the community ensures cultural and contextual awareness, strengthens local economies, and fosters long-term stewardship.
- 5. Bundling development with buyer assistance increases accessibility:** Pairing new construction with down payment assistance expands access for first-generation and moderate-income homebuyers — supporting homeownership goals and increasing uptake.

CONCLUSION

The Zodiac Road development demonstrates how reimagining underused land can generate real, lasting opportunities for homeownership in Memphis. Through thoughtful planning, collaborative partnerships, and a commitment to affordability, CONVERGENCE Memphis and United Housing Inc. have created a replicable model for community-centered housing development. As UHI looks ahead to identifying additional parcels, the lessons from Zodiac Road provide a roadmap for scaling equitable, sustainable infill development across the city.