

Residential Payment-in-Lieu-of Tax (PILOT)



PROGRAM ELIGIBILITY

- 25 residential units minimum
- Applicant must own or control the site
- Applicant must demonstrate proof of construction and post-construction financing to close the PILOT
- 60% of project total cost be spent on hard construction and/or building renovations
- Units reserved for low and moderate-income individuals and families:
 - 25-50 units – 10% of total
 - 51-75 units – 15% of total
 - 76 or more units – 20% of total
- Local Business Participation – At minimum, the PILOT recipient must spend an amount equal to 25% of construction and site work plus 25% (by value) of third party contracts for management and maintenance with City or County-certified MWBE vendors.
- Ground floor may include retail/commercial uses
- Community Support – Project input from credible community development corporation or similar neighborhood business /civic group will be taken into consideration by EDGE.

OTHER REQUIREMENTS

- Financial Feasibility – Applicants must demonstrate the project is not financially feasible without the PILOT benefit. EDGE will analyze the project pro forma, third party market analysis of comparable projects provided by the applicant, and other data to determine the need for the PILOT.
- Architectural Review – EDGE will engage a local architectural firm to review proposals and insure that Projects are of high quality for architecture, construction, building systems, and tenant finishes relative to the area

SCORING CRITERIA

- Number of residential units
- Location in City limits of Memphis, Tennessee
- Location in New Markets Tax Credit Program Eligible
- Local Business Participation Program Commitment
- Number of low and moderate-income units
- Environmental Sustainability achievement
- See Residential PILOT Scoring Matrix on back

EVALUATION AND COMPLIANCE

During the PILOT term, PILOT recipients are required to submit reports detailing the recipient's number of units, rental rates, capital investment, local business participation, and other performance requirements. In addition, EDGE will conduct on-site assessments every four years to confirm PILOT performance.

If the PILOT recipient fails to meet and maintain the prescribed requirements during the PILOT term, the PILOT may be subject to a reduction of benefits.

This EDGE Residential PILOT overview provides general program information. For authoritative information regarding the EDGE Residential PILOT program, please review the EDGE Residential PILOT Policies & Procedures document on the EDGE website, www.growth-engine.org.

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EDGE Residential PILOT Scoring Matrix

CATEGORY	YEARS
RESIDENTIAL UNITS CONSTRUCTED OR RENOVATED 10 units = 1 year of PILOT benefit	
LOCATION	
Located in the City of Memphis	1
Located in a New Markets Tax Credit Eligible Census Tract	2
LOCAL BUSINESS PARTICIPATION PLAN	
Required LBP ¹	N/A
Extraordinary LBP ²	1-2
LOW & MODERATE INCOME UNITS	
Required Low & Moderate Income Units ³	N/A
Extraordinary Number of Low & Moderate Income Units ⁴	1
ENVIRONMENTAL SUSTAINABILITY (LIMIT 1)	
Leadership in Energy & Environmental Design (LEED)	
Certified or Silver	1
Gold or Platinum	2
Green Globes	
1-2 Globes	1
3-4 Globes	2
Energy Star	1

¹Spend an amount equal to 25% of hard construction/site work plus award 25% of 3rd party contracts (by value) for on-going management and maintenance, with City or County-certified MWBEs.

²For one (1) additional year spend an amount equal to 35% of hard construction/site work plus award 30% of 3rd party contracts (by value) for on-going management and maintenance, with City or County-certified MWBEs. For two (2) additional years spend an amount equal to 45% of hard construction/site work plus award 30% of 3rd party contracts (by value) for on-going management and maintenance, with City or County-certified MWBEs.

³For projects with 25-50 units, 10% (rounded up) must be held for individuals or families that qualify as low or moderate income as defined by the U.S. Department of Housing & Urban Development for the Memphis area. For projects with 51-75 units, 15% must be held for low/moderate income; for projects with 76 or more units, 20%.

⁴For projects with 25-50 units, 20% (rounded up) must be held for individuals or families that qualify as low or moderate income as defined by the U.S. Department of Housing & Urban Development for the Memphis area. For projects with 51 or more units, 30%.