


*The*

# SAVARINE

A MIXED-USE LANDMARK ON DETROIT'S EAST JEFFERSON CORRIDOR

13115 E. JEFFERSON AVE, DETROIT, MI

13115 E. JEFFERSON

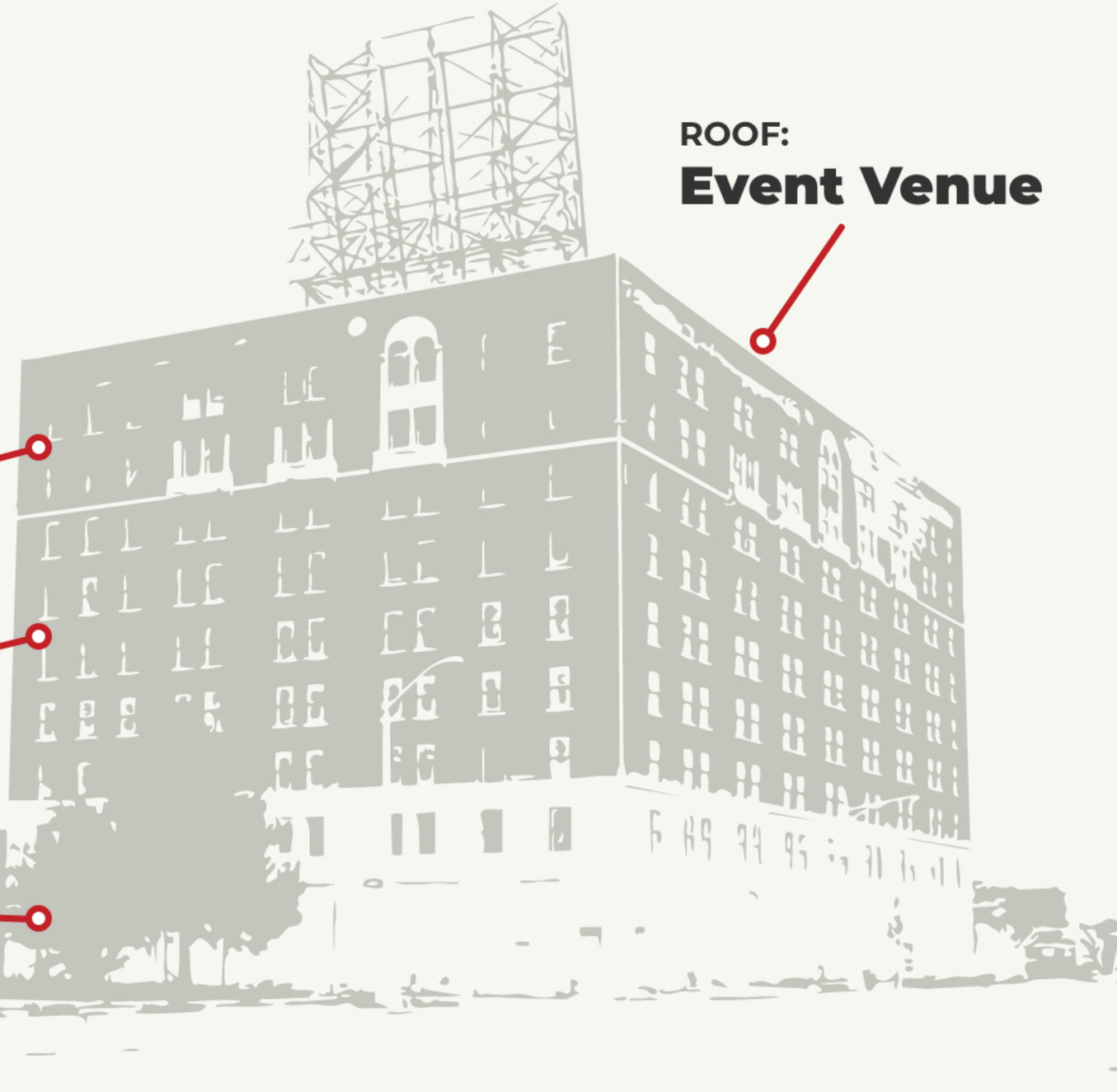
# MULTI-USE REDEVELOPMENT

A 9-story transformation blending affordability, market-rate living, commercial use, and rooftop activation into one vibrant development.

**FLOORS 8-9:**
## Two Floor Market-Rate Apartments

**FLOORS 2-7:**
## Affordable Housing
**(LIHTC-Funded)**

**FLOOR 1:**
## Commercial Condos
**Daycare & Shared Office**



**ROOF:**
## Event Venue

# COMMUNITY REVITALIZATION ALIGNMENT

- Located in an **Opportunity Zone,** directly on the edge of the **historic Jefferson/Chalmers district.**
- Aligned with **Detroit's Master Plan of Policies** and **Detroit Future City Framework.**
- Reinforces citywide goals to **increase residential density** and **revitalize vacant commercial structures** in alignment with **Detroit Works Project.**
- Activates a long-vacant site with **mixed-use development** to support housing, early education, and small business growth in support of the Waterfront East Development Plan.
- Catalyzed by nearby **$4.5B Fiat/Chrysler assembly plant,** bringing 5,000+ new jobs to the neighborhood.
- Partnered with **Community & Home Supports, Inc.** to help community address poverty and homelessness.

CITY OF DETROIT

Plan DETROIT

DETROIT FUTURE CITY™

CHS

# CURRENT CONDITION





# WITH VISION





# STRATEGIC OWNERSHIP MODEL

Condominiums to be formed:

- **Commercial units on ground floor**
- **Residential affordable** **(Floors 2-7)**
- **Residential market rate** **(Floors 8-9)**

➡ *Enables phasing, financing segmentation & flexible management.*



# BUILDING COMMUNITY

## FROM THE GROUND UP

### First Floor: 16,155 SF of divisible, commercial space

- Accessible design, ample frontage, historic lobby character
- Proposed sources of funding include New Market Tax Credits and Federal Historic Tax Credits

*Potential presale funds raised:* ***$2,423,250***

**Proposed uses:**

**High-demand daycare facility**

**Flexible shared office/ co-working hub**

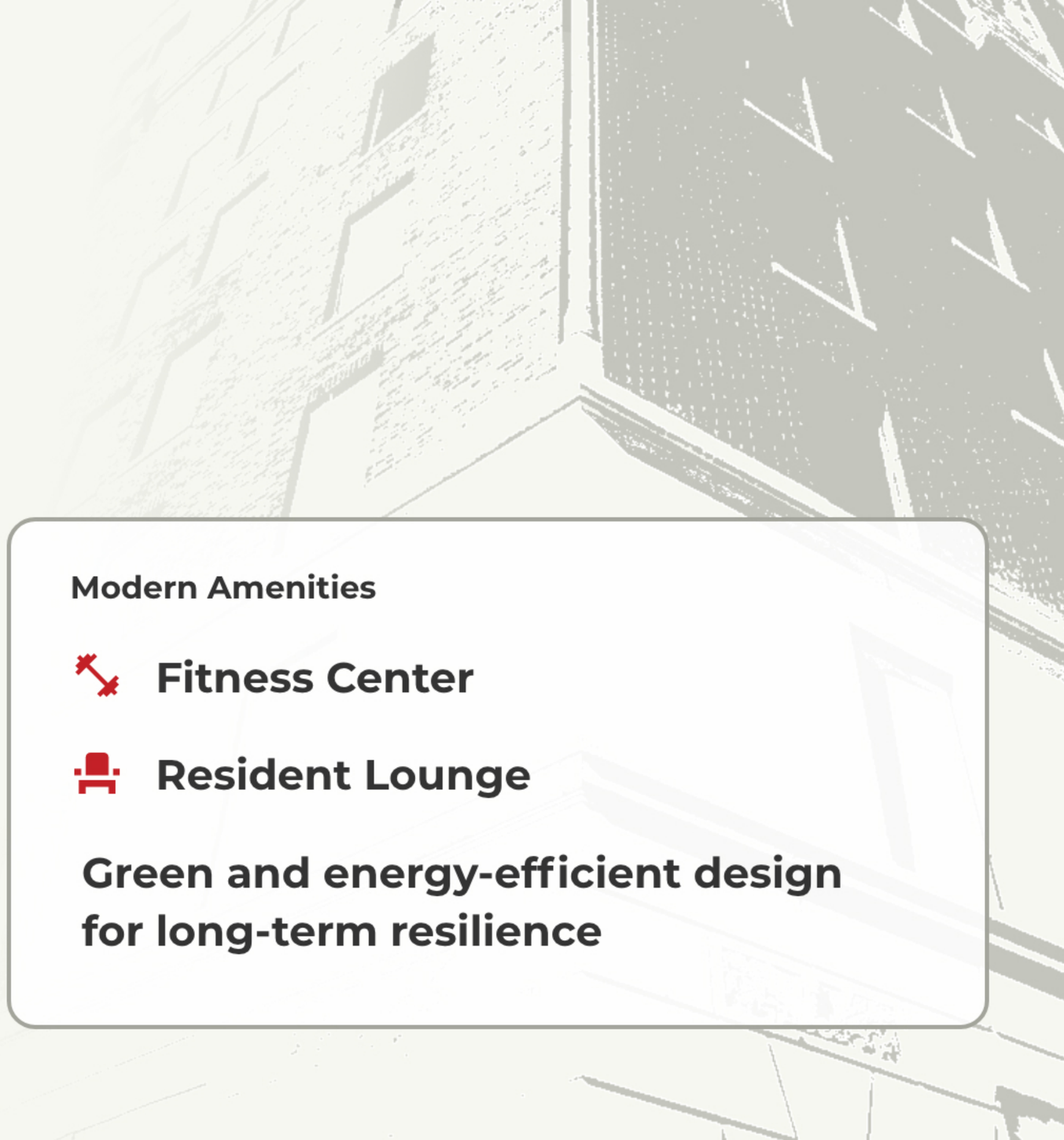
# AFFORDABLE HOUSING WITH DESIGN DIGNITY

## Floors 2 – 7: 73 LIHTC Apartments

**18 One Bedroom Apartments &**
**55 Two Bedroom Apartments**

- One Bedrooms ~ 657 SF
- Two Bedrooms ~ 853 SF
- 74,796 Total Square Feet

*Annual Gross Rent Projection:* ***$902,736***



**Modern Amenities**

**Fitness Center**

**Resident Lounge**

**Green and energy-efficient design for long-term resilience**

# AMENITIES

- A secure, professionally managed building with **keyless access** and **video surveillance**
- Shared resident amenities including a **fitness center, media lounge, business center,** and **on-site laundry**
- **Daycare** and **shared office commercial space** on the ground floor to support working families and local entrepreneurs
- A **rooftop event space** designed for community use, weddings, and neighborhood functions
- **Native landscaping, energy-efficient systems,** and water-conserving fixtures
- 10% of units designed to meet **Section 504 mobility/sensory accessibility standards**

# TOTAL PROJECTED REVENUE

| AMI Tier | Bedroom | Units | Monthly Gross Limit | Annual Gross / Unit | Annual Gross Total |
|---|---|---|---|---|---|
| 20% | 1BR | - | $378 | $4,536 | $0 |
| 20% | 2BR | - | $454 | $5,448 | $0 |
| 30% | 1BR | 5 | $568 | $6,816 | $34,080 |
| 30% | 2BR | 14 | $681 | $8,172 | $114,408 |
| 40% | 1BR | 5 | $757 | $9,084 | $45,420 |
| 40% | 2BR | 13 | $909 | $10,908 | $141,804 |
| 60% | 1BR | 8 | $1,136 | $13,632 | $109,056 |
| 60% | 2BR | 28 | $1,363 | $16,356 | $457,968 |
| **Check / Summary** | | **73** | | | **$902,736** |

*Annual Gross Income Projected:* ***$902,736***

AMI targeting: **19 @30%** | **28 @40%** | **36 @60%**

Underwritten achievable rent: **~ 90% of LIHTC max gross**

Vacancy Rate:  7% annually

Additional Income Projection: **$50,000 Annually**

# PROJECTED NET OPERATING INCOME

| Annual Gross Total | Monthly Utility Allowance (Input) | Monthly Net Rent | Annual Net / Unit | Annual Net Total |
|---|---|---|---|---|
| $0 | $110 | $268 | $3,216 | $0 |
| $0 | $136 | $318 | $3,816 | $0 |
| $34,080 | $110 | $458 | $5,496 | $27,480 |
| $114,408 | $136 | $545 | $6,540 | $91,560 |
| $45,420 | $110 | $647 | $7,764 | $38,820 |
| $141,804 | $136 | $773 | $9,276 | $120,588 |
| $109,056 | $110 | $1,026 | $12,312 | $98,496 |
| $457,968 | $136 | $1,227 | $14,724 | $412,272 |
| **$902,736** | | | | **$789,216** |

**NET OPERATING INCOME** **$60,130**

- Annual Gross Rents **$902,736**
  **UA $110/1-Br $136/2-Br
- Annual Net Rents (After UA) **$789,216**
- Other Income **$50,000**

Annual Operating Expense (51% of Revenue) **$491,914**

Annual Operating Income **$460,998**

Annual Perm Loan Payment **$400,868**

*Net Operating Income:*
***$902,736***

# TOTAL DEVELOPMENT COSTS PROJECTED

| Type of Funding | 4% | 9% | Total | Percentage | Savarine Projection | Percentage |
|---|---|---|---|---|---|---|
| Conventional Mortgage 221(d)4 | $5,683,128 | $4,566,654 | $10,249,782 | 17% | $11,737,109 | 30% |
| LIHTC Equity | $12,106,445 | $13,273,673 | $25,380,118 | 43% | $14,602,500 | 37% |
| Local Home | $1,500,000 | $1,500,000 | $3,000,000 | 5% | $1,500,000 | 4% |
| HTCE | $5,354,841 | $3,954,311 | $9,309,152 | 16% | $6,745,350 | 17% |
| Detroit ARPA | $5,700,000 | $1,300,00 | $7,000,000 | 12% | $1,300,000 | 3% |
| Detroit CDBG/NSP | $3,000,000 | - | $3,000,000 | 5% | $3,000,000 | 8% |
| MSHDA Pass-thru Gap | - | - | - | - | - | 0% |
| New Energy Tax Credits | - | - | - | - | $396,785 | 1% |
| Deferred Fee | $489,646 | $435,811 | $925,457 | 2% | $793,571 | 2% |
| **Total** | **$33,834,060** | **$25,030,449** | **$58,864,509** | **100%** | **$39,678,530** | **101%** |

Lee Plaza Cost of Development
**$530.49 /SqFt**

**$530.49 /SqFt**
**x 74,796 SqFt**

**$39,678,530**

# LUXURY URBAN LIVING

## ON THE TOP FLOORS

**Proposed Design:**

### Bi-level Market Rate Apartments on Floors 8 & 9

- 8 One Bedroom Apartments
- 12 Two Bedroom Apartments

**Features:**

**Premium finishes, large windows, skyline and river views**

**Boutique-style living with elevator convenience**

# DEVELOPMENT COST

| | |
|---|---|
| **24,932** | TOTAL SQUARE FOOTAGE (BOTH FLOORS) |
| **$560,970** | Hard Cost/ Unit (75% of total costs) |
| **$450** | /GSF (higher finish/complexity) |
| **$11,219,400** | Total Hard Cost /75% |

*Total Development Costs* ***$14,959,200***

# MARKET RATE INCOME

**24,932** TOTAL SQFT (BOTH FLOORS)

**17,824** Unit Area Square Footage (Net Rentable Square Footage)

**7,108** Common Area Square Footage

Average Market Rate Rent **$328,800**

| BDRM | Units | Month | Annual |
|---|---|---|---|
| 1 | 8 | $1,250 | $120,000 |
| 2 | 12 | $1,450 | $208,800 |
| **Total** | **20** | **$2,700** | **$328,800** |

Additional Income with Parking, Pet Fees, Laundry, Etc.



# MARKET RATE NET OPERATING INCOME

| | |
|---|---|
| Gross Annual Rent | **$328,800** |
| Additional Income from Units | |
| $200/Month/Unit 20 Units x $2,400 = | **$48,000** |
| Gross Annual Income Projection | **$376,800** |
| Total Operating Expenses $7,673.16 per unit per year | **-$153,463** |
| Vacancy Rate of 7% (1 Unit) | **-$19,800** |

| Category | Cost |
|---|---|
| Payroll | $1,616 |
| Marketing/Advertising | $201 |
| Repairs & Maintenance | $1,579 |
| Administrative | $482 |
| Management Fees | $641 |
| Utilities | $1,037 |
| Real Estate & Other Taxes | $1,503 |
| Insurance | $604 |
| Other | $13 |
| **Total** | **$7,673** |

*NET OPERATING INCOME* ***$203,537***

# CELEBRATE ABOVE IT ALL

**Envisioned rooftop event space for weddings, community events, and private rentals**

- Increasing total project income

**Space doubles as community space qualified for QAP scoring**

**Already have a commitment from venue operator**

**Sign advertising rental will produce extra cash flow**

**Designed to Feature:**

- **Outdoor terrace area with skyline and river views**
- **Green roof integration and energy efficiency**

# HOW COMPETITIVE ARE WE??

# FUNDING PRIORITY

- URBAN
- STRATEGIC INVESTMENT CATEGORY
- NON-PROFIT - STATUTORY SET-ASIDE
- ELIGIBLE DISTRESSED AREAS - STATUTORY SET-ASIDE
- EMERGING DEVELOPER - NON-STATUTORY SET-ASID
- TAX EXEMPT BOND FINANCING (WITH 4% LIHTC)



# URBAN OPPORTUNITY CRITERIA 37.5/44 POINTS

- Multiple Community Revitalization Plans cover this area
- 50% of households are overburdened
- Community supported initiatives without place-based developer
- Job growth opportunities

| Metric | Measurement | Target |
|---|---|---|
| Public Transportation | Jefferson & Hart | .1 mile |
| Grocery | Rivertown | .2 miles |
| Licensed Daycare | Matrix Head Start | .15 miles |
| Pharmacy | Brotherhood Pharmacy | .13 miles |
| Medical Treatment | Urgent Care | 1.2 miles |
| Public Library | Jefferson Branch | .3 miles |
| Public School | Detroit Edison | .6miles |
| Community Organization | Jefferson East, Inc. | .3 miles |
| Employment Center | Jefferson Recruiting | 1.1 miles |
| Public Park | A.B. Ford Park | .7 miles |
| Job Training Center | Detroit Training | 4 miles |

# DEVELOPMENT CHARACTERISTICS

- Low-Income targeting (15 pt minimum)
- Historic Rehabilitation Projects (1 pt)
- Commitment to affordability (5 pt)
- On-site tenant services provided (2 pt)
- Energy efficient building (3 pt)
- Properly Zoned (3 pt)
- Site plan approval (3 pt)
- 10% Accessible units (3 pt)
- Accessible community space (2 pt)
- Tax abatement (3 pt)



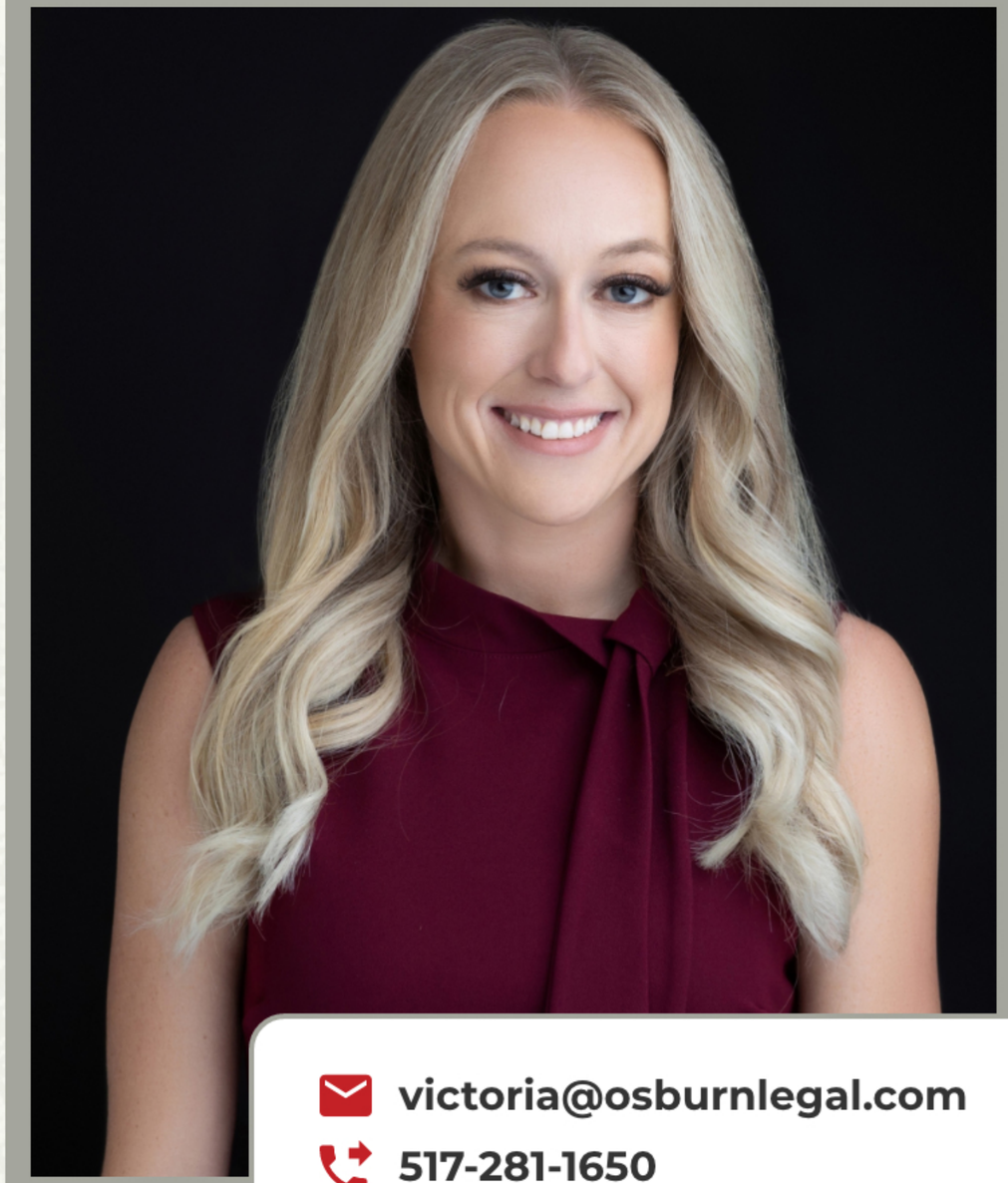
# SELF SCORE

# 103

*WITH YOUR HELP, WE BELIEVE THIS SCORE COULD BE HIGHER!!*

# VICTORIA OSBURN

- Licensed practicing attorney
- Member in good standing of the State Bar of Michigan and Ingham County Bar Association
- Bachelor’s of Science from Michigan State University in Biochemistry and Molecular Biology
- Juris Doctorate from Western Michigan University (formerly The Thomas M. Cooley Law School) Cum Laude
- President and owner of Osburn Legal, PLLC
- Mentored by Thomas L. Lapka
- Experience with the process of LIHTC development and legal services



victoria@osburnlegal.com
517-281-1650

# ALEX LAUER

- Broker and Owner of Clyde Realty
- Management of the RFP and Broker for Dreamtroit
- Board Chair President of the Einstein Method
- Managed the construction of more than 50+ single family homes in Detroit
- Heavily involved in the Art and Music Creative Community in Detroit



alexclauer@gmail.com
313-974-1830