



An affordable non-profit housing corporation serving Michigan's housing needs

The Sanctuary at Brewster Executive Summary

Bishop Charles H. Ellis III and development partner MHT Housing, Inc. (collectively the “Development Team”) are pleased to move forward with an exciting new construction development at the high-profile location of the former Brewster Wheeler Recreation Center site in Detroit, Michigan. The development, which will be known as The Sanctuary at Brewster, will be a newly constructed, 52-unit Permanent Supportive Housing (“PSH”) development, with first-floor community spaces and office spaces for on-site service availability. The Sanctuary will be located on an approximately one-acre site at the Southeast corner of Saint Antoine Street and Wilkins Street, and immediately adjacent to the former Brewster Wheeler Recreation Center. The development will be the first of a multiple-phase redevelopment for the total 6-acre site, with three future housing phases planned to the immediate South, along with the planned redevelopment of the Brewster Wheeler Recreation Center.

The 6-acre Brewster Wheeler site is among the most significant and most-targeted locations for development within the city of Detroit. In addition to future planned affordable housing developments for this site, the team is actively working with the City of Detroit and several other stakeholders to develop and fund a plan to redevelop the currently vacant Recreation Center into a space that will likely provide a combination of spaces that meet the community’s needs, including a recreation center, sports field, offices and other uses to complement the future City plans. MHT has been working over the past several months to stabilize the Recreation Center at its own cost and will continue to do so for the betterment of the site and overall public benefit.

The site has long been a focal point for potential redevelopment, with various plans having been contemplated in conjunction with the City of Detroit over the years. Based on development plans that are in the works in this neighborhood, not only for this 6-acre MHT-controlled site, but for the larger Brewster Douglass site currently owned by Bedrock, the reconfiguration of I-375 into a boulevard, the extension of city trails to this area, and the substantial activity taking place in Brush Park, among many other significant investments, now is an opportune time to provide this affordable housing units in the location for a population that has long been underserved.

The Sanctuary will bring to reality the long-standing vision of Bishop Ellis, that every youth leaving foster care should have the opportunities and support needed for a successful transition to adulthood. Accordingly, the development will be specifically targeted to homeless youth who are aging out the Michigan Foster Care System, and in addition to making an available housing option, the development will also incorporate the needed wrap around services for future residents. Housing is a critical piece to addressing this issue and the residents will have access to services and the appropriate other professional resources to assist in varying ways in navigating through society as a legal adult.

The development team will work closely with the City of Detroit on a development that complements the neighborhood and aligns with the City’s design requirements. In looking at the landscape for those needing affordable housing options, the team feels that this housing development offers a great opportunity to provide individuals facing a significant need an opportunity to have a place to live in one of the most impactful locations in the entire city of Detroit. These affordable units will be in an area that



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is experiencing tremendous growth, with many more millions of dollars' worth of investing coming soon, creating a great outcome by allowing lower income wage earners to have access to amenities that they otherwise might not have. The Development Team will submit an application to MSHDA on May 1, 2023, as a part of its 4% LIHTC, PSH gap financing round.

Project Location

The development site will be the approximately one (1) acre generally bounded by Wilkins Street, St. Antoine Street, Brewster Street (following extension of the existing street), and the Brewster Wheeler Recreation Center. This location will provide access to all of the best amenities the City of Detroit has to offer for the residents living in the development. In fact, the development is within 1/3 of a mile to a Walk Score of 94, allowing it to be considered as a "walker's paradise" area. Within approximately two blocks in any direction are the arena and stadiums for all four of Detroit's professional sports teams, which will also allow residents easy access to many of the commercial amenities located nearby.

Due to its exceptional location, residents of the development will have access to a full-service grocery store, pharmacy, general practice doctor's office, clinic, and park, among other amenities. Further, the property will have access to all of the City's public transit options, allowing for access to the available services and amenities to the residents as needed, should they need to access something a bit further away from the site. In addition to all of the amenities and opportunities that exist in this location for prospective low income residents today, there are many millions of dollars of planned future investment for this area as well, making this not only a great location to live in, but a great location to use Federal, State, and Local affordable housing resources. Further demonstrating this fact, the development qualifies for all of the applicable Site Amenities points as outlined in the enclosed application.

Affordability & Unit Mix

The Project will consist of 52 one-bedroom, one-bathroom units, with all unit sizes projected to be approximately 610 square feet. All units will be targeted to homeless youth who are aging out of the Michigan Foster Care System. In order to offer the needed rental support for this targeted population, all units in the development will receive the benefit of Project-Based Voucher (PBV) assistance from MSHDA. The PBV assistance will allow residents to pay 30% of their income toward the monthly rent, with the voucher assistance covering the difference to allow the property to operate as needed. The project ownership will be responsible for all utilities, further supporting the future residents. The request for the needed MSHDA PBVs is being made in conjunction with this application for financing. It is also worth noting that the rents being utilized in the enclosed underwriting are being sized based on 110% of the local FMR.

To further support the intended target population of the development, the Development Team is coordinating with various service partners to provide counseling services, life skills training, job training, financial literacy training, conflict resolution, and others as needed. Greater Grace Temple along with support from Detroit Wayne Integrated Health Network (DWIHN) will be leading the effort toward coordinating these and other needed services. Enclosed, please find several MOUs and letters of support



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that further demonstrate the substantial commitment and coordination that has taken place locally in support of this much-needed development.

Planned Financing Sources

Below is a summary of the overall sources and uses for the 52-unit Sanctuary project:

Sources	
MSHDA Permanent Loan	\$ 3,053,197
Cinnaire LIHTC Equity	\$ 7,075,581
MSHDA HOME ARP	\$ 6,260,215
Sponsor Loan	\$ 2,000,000
Income from Operations	\$ 25,771
Deferred Developer Fee	\$ 438,625
Total Permanent Sources	\$ 18,853,389
Uses	
Acquisition	\$ 1,500,000
Construction	\$ 11,619,527
Soft Costs	\$ 2,640,214
Contingency	\$ 580,976
Reserves	\$ 412,672
Developer Fee	\$ 2,100,000
Total Development Costs	\$ 18,853,389

In addition to the above-identified long-term, permanent sources of financing, the development will also be using a MSHDA construction loan in the amount of \$9,803,762 to help with the ongoing construction costs and/or bridge the needed LIHTC equity to improve LIHTC equity pricing. These sources will be fully repaid at stabilization of the property based on a model that will be approved by both the lenders and investor.

Amenities

The Development Team, contractor, and architect plan to certify to complete the development in accordance with Enterprise Green Environmental Criteria, accessible community space over 1,000 square feet, 10% barrier free and 100% visitable units. The Project will feature first-class amenities for its



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residents. Each unit will be fully furnished and feature energy efficient appliances including washers and dryers, dishwashers, frost free refrigerators, ovens, ranges with hoods, disposals, microwaves, and central air conditioning. The development will also feature a combination of private parking, with an attached parking lot, allowing for adequate parking availability to meet both the resident needs and the City's requirements. In addition, the Partnership has worked closely with the City of Detroit, the local Historic District Commission, and other local partners to build and construct the property in accordance with neighborhood features and local design requirements.

Developer & Management

MHT has over 30 years of affordable housing development experience in the State of Michigan and is a 501(c)(3) nonprofit organization. MHT serves as the general or managing member of nearly 6,500 elderly and family units and has been successful in obtaining multiple funding sources for preservation, adaptive reuse, and new construction projects, that include HOME and NSP funding, Brownfield and Historic tax credits, HUD221(d)4 and Fannie Mae loans. The property will be managed by MHT's affiliated management company, MHT Management. MHT Management was formed in 2017 and has a shared service agreement with Continental Management. Continental Management was formed in 2003 and now oversees 122 affordable housing developments which are unsurpassed in terms of quality and efficiency. In fact, Continental Management has been named Property Management Company of the Year by the Detroit Metropolitan Apartment Association on multiple occasions. Continental Management has no unresolved compliance audit findings and all federally assisted properties have REAC scores that average 93.9. All management and occupancy reviews are satisfactory and above.

Kirsten's Touch, LLC is led by its principal, Bishop Charles H. Ellis III. Bishop Ellis has been the long-standing Senior Pastor of Greater Grace Temple in Detroit. He pastors nearly 6,000 and is known as a leader "with a heart for people." It was in 2002 that Bishop Ellis and ministry celebrated the Grand Opening of their new 36-million-dollar worship facility. This state-of-the-art masterpiece includes a 4,000 seat auditorium, and an elegant banquet hall and conference center. Under Bishop Ellis' leadership Greater Grace Temple now has over 300 ministries including the following, which extend beyond its religious mandate: Over 100 affordable housing units for seniors and families; David Ellis Academy and David Ellis Academy West Charter Schools (Grades PreK- 8); Montessori Day Care Center; Print Shop; Television & Recording Studios; Travel Agency; Funeral Home; and others. The Sanctuary at Brewster is the next great vision of Bishop Ellis in furtherance of his personal mission, which is a residential property to house youth who are aging out the state foster care system to provide the needed wraparound supports to ensure they are successful in the next stages of their adult lives.

Jobs Created

Based on previous projects completed by MHT Housing, it is estimated that 75 temporary construction-related jobs will be generated, along with two full-time and one part-time position that will be created at time of occupancy.



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