

Good Morning South Bend!



Traditional Design Options



The Possibilities are Endless...



South Bend! Finance Workshop May 2023

Presented by
Neighborhood Evolution
www.neighborhood evolution.com



Neighborhood
Evolution

Good Morning South Bend!

What will we cover today?

12 Steps

Flywheel

Financing & Pro formas

Bank Interviews!

Leasing & Management

Strategizing

Next Steps

A Three Part Series

THE FUNDAMENTALS OF NEIGHBORHOOD DEVELOPMENT

Save the Dates!



**JAN
21**

FARMING & SUSTAINABILITY

9 AM-12:30 PM

Learn the fundamentals of dealmaking, development and more, with a special focus on sustainability.

FINANCE

9 AM-12 PM

This hands-on session will teach acquisitions, finance, using proformas, interviewing banks, and more.

**MAY
06**



**SEP
30**

FORM

9 AM-12 PM

Form will teach zoning, how and who to hire, designing for tenants, and much more.

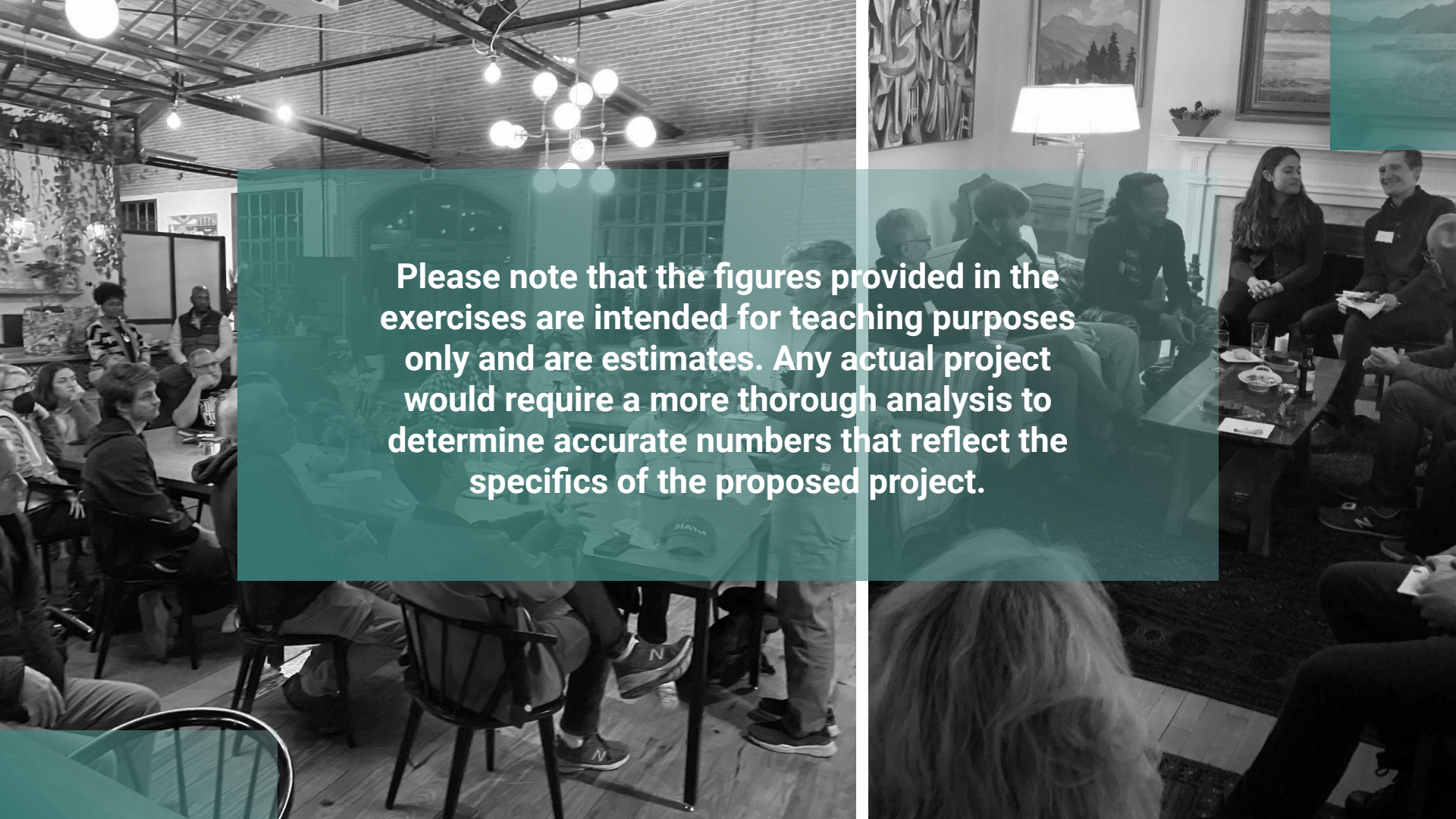
For More Information, Please Visit

www.southbendin.gov/bsb



**WORKSHOP
SERIES 2023**





Please note that the figures provided in the exercises are intended for teaching purposes only and are estimates. Any actual project would require a more thorough analysis to determine accurate numbers that reflect the specifics of the proposed project.



President,
Options Real
Estate

Started Flywheeling:

- Commercial real estate

Known for:

- Helping entrepreneurs get a foothold

Community Involvement:

- Former Duncanville City Councillor
- Duncanville Design Studio
- President of CNU North Texas Chapter

MONTE ANDERSON

Proudly from
Duncanville, TX

BERNICE RADLE

Proudly from
Buffalo, NY



Owner of
Buffalove
Development
and Little Wheel
Restoration

Started Flywheeling:

- Maintenance calls for minimum wage.
- Energy retrofits and property management
- Began Buffalove in 2012.

Known for:

- Cute renovations on a dime
- Small storefronts
- Trying to keep apartments affordable

Community Involvement:

- Zoning Board of Appeals for the City of Buffalo
- FBCI Steering Committee
- Eugene V. Debs Hall Board



Managing
Partner,
Hometowne
Development

President, The
Bakery Group

Started Flywheeling:

- Chancellor's Professor of Sociology and Sustainability Studies
- LEED AP sustainability consultant

Known for:

- The Birthday Chair

Community Involvement:

- Near Northwest Community Meetups
- South Bend Town Makers

Proudly from
South Bend, IN

Neighborhood Evolution

Readying locals to take the lead,
steading the building environment,
nurturing the small development ecosystem.

Helping you create your neighborhood's future.



OUR PILLARS



FARMING

Pick a place, stay there. Walk your fields and get to know how everything interacts. Cultivate the life and beauty that's around you.

FINANCE

Figure out how to make enough money to sustain yourself, your projects, and your community. Find people who want to invest in a shared vision.

FORM

Neighborhoods people love to be in follow a pattern. Learn it and continue the tradition of building places that get better with age.



12 STEPS to Town Making



FIND YOUR FARM.

Work it. Commit to it.
Make it your life forever.

01

GET TO KNOW YOUR NEIGHBORS

They will occupy, energize, and
support your spaces.



FIND SOME INVESTORS

Keep it local. Banks are a good starting place.





LEARN THE LEGAL & ACCOUNTING

Get a damn good attorney & CPA.
Trust no one (except your attorney &
CPA). Study how to form a partnership
and close a deal.



FIND A PROJECT TO USE AS AN EXPERIMENT

No zoning changes (yet). Learn to
do a pro forma. Already have that?
Decide what's next.
Keep it moving.



CLEAN, CLEAN, CLEAN, DEMO.

And then clean some more.
Know what you're working with,
(and relieve some stress via
sledgehammer).



BUILD YOUR TEAM/ CREATE YOUR CREW

Consultants, contractors. Make sure they know you're working on small, incremental projects.

A high-angle, black and white photograph of four people (three women and one man) gathered around a light-colored table, engaged in a collaborative project. They are looking at various documents, including a site plan or map. On the table are two white coffee cups, a laptop with a smartphone on it, and some loose papers. The scene is brightly lit, suggesting an indoor space with large windows. A semi-transparent teal rectangle is overlaid on the left side of the image, containing white text.

DECIDE WHAT IS BEST FOR YOUR PROJECT

Learn to plan efficiently, bring your team together, and collaborate. You are no longer alone!



SET UP A CONSTRUCTION MANAGEMENT SYSTEM

Hire a general contractor? Do it
yourself?

A vintage-style room with a desk, chair, and large windows. The room features a large desk with a chair, a rocking chair, and a small table. The walls are paneled, and there are large windows with multiple panes. The floor is covered in a patterned rug. The overall aesthetic is classic and cozy.

TIME TO MOVE.

If you have a tenant, move them in. If not, be your own. Make the space your home or office.



LEARN TO MANAGE YOUR PROPERTY

It's ok if you're not the best at this. Don't freak out. Hire someone.



HELP OTHERS

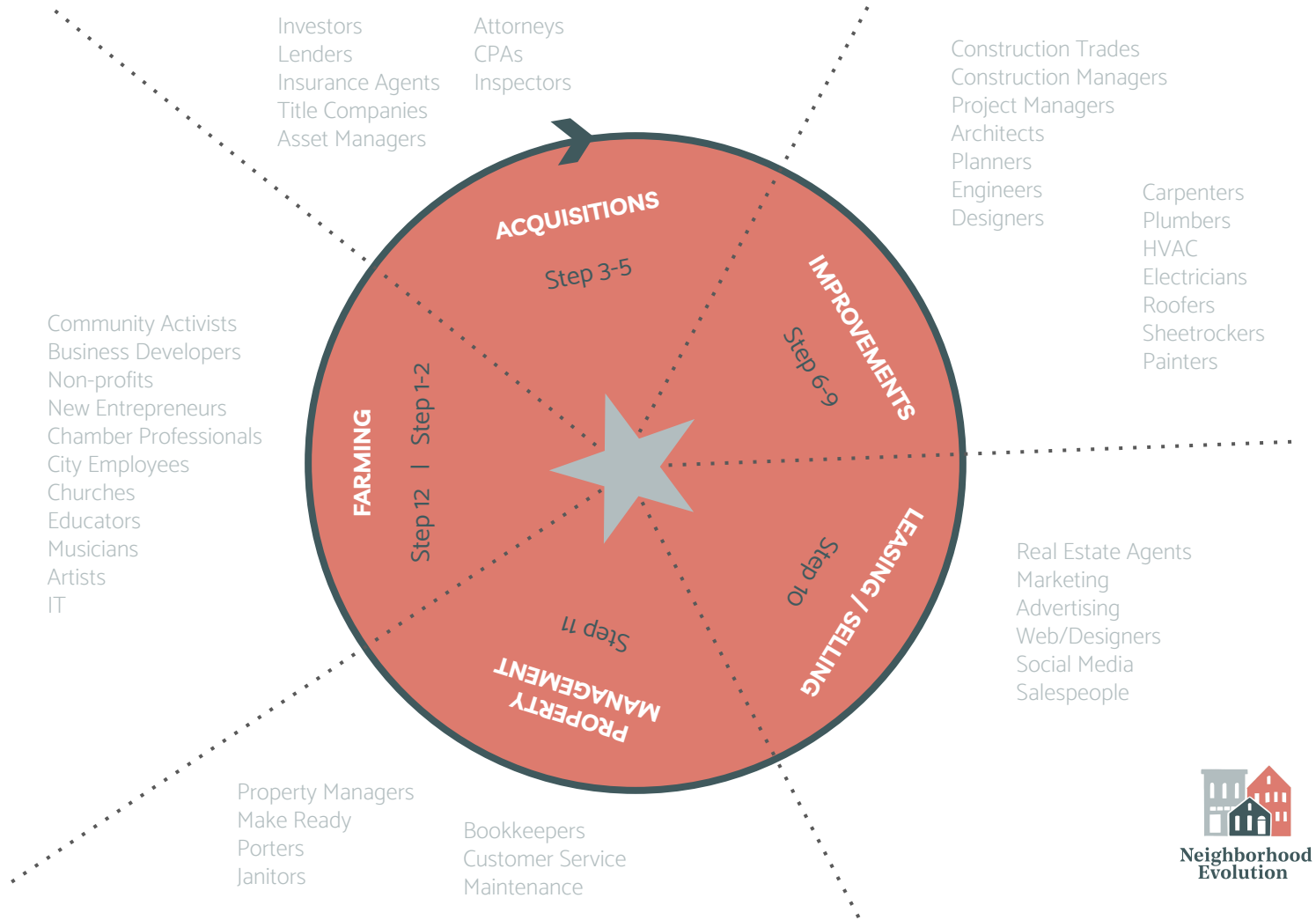
Share these steps with
other small developers.

12



**DO GOOD.
MAKE MONEY.**

FLYWHHEEL



Let's Prep For Financing The Project

There are a lot of important things to do BEFORE you can look at a property for sale and buy it.



Bank Prep!

- **Copy of driver's license**

(or passport or official ID)

- **Two (2) most recent years completed Federal Tax Returns**

Include any extension requests (if applicable)

- **If titled in an Entity (LLC, LP, S CORP)**

Two (a) most recent years completed Entity Federal Tax Returns (signed): include any extension requests of applicable)

- **Copies of bank statements**

to support any liquidity you noted on your personal financial statements

Copy of organization documents:

- Partnership Agreement
- Operating Agreement
- Certificate of Formation (for LP or LLC)
- Articles of Incorporation and Bylaws
- Tax ID Number

- **Current Personal Financial Statement (signed)**

Should be less than six (6) months old

- **Copy of Lease(s)** (if applicable)

- **Agreement of Sale** (if applicable)

- **Construction Budget** (if applicable)

- **Pro forma**

Operating statement for rental, plus information about any historical income and expenses. (Include comparable rents in the area to support your rent estimate)

- **Comparable sales in area**

to support your expected sales price

- **Resume of professional experience**

- **Current Personal Financial Statement (signed)**
Should be less than six (6) months old

Your Name		
Statement of Financial Position		
As of September 26, 2022		
	Total	
ASSETS		
Personal Bank Accounts	\$	15,000
Business Assets	\$	5,000
Real Estate Assets	\$	140,000
Vehicle Assets	\$	20,000
Retirement Assets	\$	95,000
TOTAL ASSETS	\$	275,000
LIABILITIES		
Personal Financial Liabilities and Loans	\$	8,000
Business Liabilities	\$	1,000
Real Estate Loans	\$	100,000
Vehicle Loans	\$	10,000
TOTAL LIABILITIES	\$	119,000
NET WORTH	\$	156,000
W2 INCOME		
Gross Annual Income: Person A	\$	65,000
Gross Annual Income: Person B	\$	42,000
Gross Annual Income Total	\$	107,000
Monthly Mortgage Payment (PITI)	\$	1,700
Debt to Income Ratio (Front End)		19%
Debt to Income Ratio (Back End)		21%

Bank Prep!

BREAK!

**Grab some
coffee.**

**Bank interview is
up next!**

Interview!

Connecting with Banks is the key !

- Do you make investor real estate loans? Do you make owner occupied loans? What are your loan limits per borrower?
- How does the loan process work?
- What are your terms? (*Down payment, interest rate, length of loan*)
- What all do you need from me?
- Once I make a request, what happens?
- What is the timing from start to finish?
- How can I get a pre-approved letter?

Deal Killers

1. Title
2. Survey
3. Utilities
4. Zoning
5. Accessibility (ADA)
6. Environmental
7. Building Code
8. Insurance
9. Financing
10. Fire Code



Transforming Communities. Transforming Lives.



As a community development financial institution (CDFI), we provide creative capital solutions to projects with high social value that may not otherwise receive support from traditional financial institutions.



Keith Broadnax

Senior Vice President

KBroadnax@cinnaire.com

WHAT WE DO

We provide a variety of loan products that include term loans and lines of credit that support healthy communities:

- Housing
- Commercial real estate
- Community facilities

We prioritize projects with:

- Transforming Communities. Transforming Lives.
- A clear demonstration of the social benefit

Loan Purposes

Loans can be used for:

- Purchase of a property intended for community facilities and property intended for other community development needs
- Construction, pre-development costs, renovation, and leasehold improvements of a building intended for community development needs
- Refinancing existing debt related to eligible community development needs
- Equipment
- Line of credit to support operating cash flow.
- Bridge financing to monetize grants and contracts that

Cinnaire Underwriting

Borrower/Guarantor Background

Project Description

Value Analysis

Development Team

Service Area Profile

Target Market/Rental Rates

Source of Repayment



Transforming Communities. Transforming Lives.





Cinnaire LOC Structure

Term:	24-month revolving line of credit; A 12-month interest reserve will be deducted from the loan proceeds at closing of each property financed to pay the interest on the property being financed.
Origination Fee:	1.0%
Security:	A first-position real estate mortgage on properties funded by the line.
Project/Purpose:	To finance the acquisition, new construction and/or rehabilitation of residential and/or commercial multifamily properties in South Bend, IN.
Repayment:	Repayment will come from sale of the properties or refinance of the properties into permanent loans provided by third party lenders.
Loan-to-Value:	Not to exceed 85% of "as-completed" appraisal or acceptable market analysis.

Cinnaire Underwriting Cont.

Project Pro forma

Debt Service Coverage Ratio if amortizing permanent loan: 1.20%

Construction contingency between 5% to 15%.

HCV or Rents 10% below market rents



Draws: No more than four draws per property and no more than one draw per month. Advances will be made at the Lender's discretion. Requests for advance must come with detailed contractor's statement.

Inspections: Site inspections are required and will be scheduled at the Lender's discretion; Inspections

Lifecycle of a Project

How does this work?

Step 1: Collect Items Required for Underwriting

Step 2: Receive your LOC

Step 3: Search for feasible projects

Step 4: Complete Project (Purchase, Renovate, Rent)

Step 5: Refinance LOC to permanent financing





We have an unwavering belief that all people deserve the opportunities provided by living in healthy communities.

We are Cinnaire.

BREAK!

**Grab some
coffee.**

**Deal structures
are up next!**

Typical Deal Structures & Proforma

How do we make the
numbers work for your
project?



PROFORMA WORKSHEET

Neighborhood Evolution

Any Building, Commercial or Residential

4/11/23

Sketch Here:

Building Cost

Improvement Cost +

Total Cost =

Down Payment -

Loan Amount =

Rent Roll					
Suite	Tenant	Size	Rent	/SF/YR	/SF/MTH
A					
B					
C					
Totals					

Income

Monthly Rent

x12

Annualized, Gross Potential Income

Less Vacancy 10%

Adjusted Gross Income

+

Expenses

Taxes

Insurance

Maintenance

Property Mgmt

Misc

Legal/Accounting

Reserves

Estimated Annual Expenses

-

Net Operating Income

Income \$0.00

Expenses \$0.00

Net Operating Income \$0.00

=

CAP Rate Value

Debt Service

Original Balance

Interest Rate

Years

Monthly Payment

x12

-

= Cash Flow

SAMPLE PROFORMA

Neighborhood Evolution

Any Building, Commercial or Residential

4/11/23

Sketch Here:

800 SF
A

500 SF
B

500 SF
C

Building Cost

Improvement Cost +

Total Cost =

Down Payment -

Loan Amount =

\$122,500.00

\$50,000.00

\$187,500.00

\$37,500.00

\$150,000.00

Rent Roll					
Suite	Tenant	Size	Rent	/SF/YR	/SF/MTH
A	Sally Jones	800 SF	\$1,000	\$15.00	\$1.25
B	Mark Peacock	500 SF	\$750	\$18.00	\$1.50
C	Sunjay Kunmor	500 SF	\$750	\$18.00	\$1.50
Totals		1,800 SF	\$2,500		

Income

Monthly Rent

x12

Annualized, Gross Potential Income

Less Vacancy 10%

Adjusted Gross Income

+ \$27,000.00

Expenses

Taxes \$3,500.00

Insurance \$1,500.00

Maintenance \$3,000.00

Property Mgmt \$2,000.00

Misc \$500.00

Legal/Accounting \$500.00

Reserves \$500.00

Estimated Annual Expenses

- \$11,500.00

Net Operating Income

Income \$27,000.00

Expenses -\$11,500.00

Net Operating Income \$15,500.00

=

CAP Rate 8.00% Value \$ 193,750

Debt Service

Original Balance

Interest Rate

Years

Monthly Payment

x12

- \$13,892.69

= Cash Flow \$1,607.31

Bank Prep!

Renovation to Perm Bank Loan

Purchase: \$85,000

Construction Budget: \$60,000

After Renovation Appraisal: \$185,000

Max bank loan: \$150,000

My bank loan: \$120,000

Private loan: \$28,000 (purchase)

Structure:

20% LTV on the PURCHASE price.

\$28,000 - purchase / closing only.

Where did the \$28,000 come from?

A home equity line of credit!

40/40/20% ownership split.

Today:

Rear house: \$950

Upper: \$910

Storefront: \$575

Estimated value: \$240K + or so.



Bank Loan

Angel... ish

Purchase: \$595,000

Construction Budget: \$100,000

After Renovation Appraisal: None

Max bank loan: \$None

All in \$700,000

Structure:

50% paid by partner - as their contribution

50% paid by partner - as a loan for my 50% ownership.

Goal: Pay down quickly here.

Today:

11 units about \$8,500 a month including several affordable apartments.

Value: 1.3 million (roughly)

Notes: not enough \$\$ for construction



Angel (ish)



PORTAGE MIDTOWN DUPLEX



762 Portage Avenue
South Bend, IN 46616

LOAN REQUEST

Presented by
Mike Keen
mfkeen1@gmail.com

May 15, 2023
Hometowne Development LLC
910 Portage Avenue
South Bend, IN 46616
574-514-2096

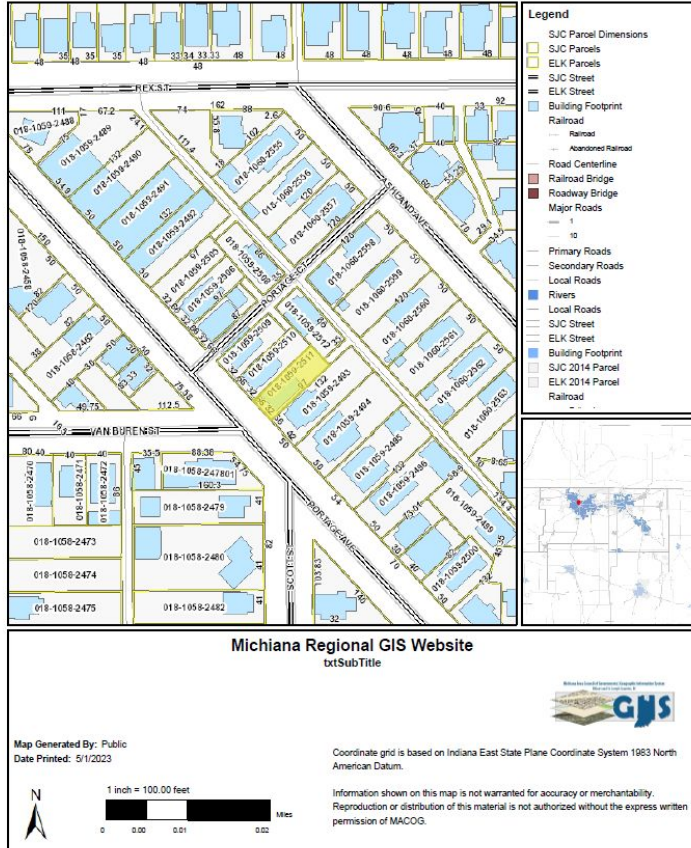
TABLE OF CONTENTS

762 Portage Avenue
South Bend, IN 46616

1. PROPERTY
2. SITE PLAN
3. ELEVATIONS AND FLOOR PLANS
4. RENT ROLL
5. PRO-FORMA
6. BUDGET
7. LOAN REQUEST
8. ZONING

Bank Loan

762 Portage Avenue



71-08-02-405-009-000-026

HOMETOWNE DEVELOPMENT LLC

762 PORTAGE

500

ADDITIONAL INFORMATION

Parcel Number

71-08-02-405-009-000-026

Parcel Address

762 PORTAGE

Mapbook

712386 18037-245

Property Class

300 Real Vacant platted lot

Jurisdiction

71 St. Joseph

Corporation

N

Sublot

028 807th BEND (PORTAGE)

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Site Description

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Property Class

300 Real Vacant platted lot

Jurisdiction

71 St. Joseph

Corporation

N

Sublot

028 807th BEND (PORTAGE)

Route Number

8-20

Site Description

Legal Address

0.0000

Admin Legal

0.0000

GENERAL INFORMATION

Parcel Address

762 PORTAGE

Mapbook

712386 18037-245

Property Class

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Jurisdiction

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71 St. Joseph

Corporation

N

Sublot

028 807th BEND (PORTAGE)

Route Number

MODEL BUILDING TYPE:

DUPLEX

DESCRIPTION:

UNIT CONFIGURATION: (2) 2 BED / 1 BATH UNITS.
UNIT SIZE: (2) 880 SQ. FT. UNITS (FINISHED GROSS)
BUILDING HEIGHT: 2 STORIES
EXTERIOR OPTIONS: A, B, -OR- C
OPTIONAL: BASEMENT



EXTERIOR ELEVATION
OPTION A

EXTERIOR ELEVATION
OPTION B

EXTERIOR ELEVATION
OPTION C

GENERAL NOTES

1. SET PLAN SHALL BE SUBMITTED SEPARATELY BY APPLICANT PER REQUIREMENTS OF THE CITY OF SOUTH BEND PERMIT APPLICATION.
2. THE INFORMATION CONTAINED WITHIN THESE DOCUMENTS IS ISSUED TO AVOID DESIGN ERROR OR OMISSION. THE INFORMATION CONTAINED WITHIN THESE DOCUMENTS IS NOT TO BE USED FOR ANY OTHER PURPOSE. THE INFORMATION CONTAINED WITHIN THESE DOCUMENTS IS NOT TO BE USED FOR ANY OTHER PURPOSE. THE INFORMATION CONTAINED WITHIN THESE DOCUMENTS IS NOT TO BE USED FOR ANY OTHER PURPOSE.
3. THE GENERAL CONTRACTOR AND OWNER ASSUME ALL RESPONSIBILITY TO VERIFY ALL WORK. GENERAL CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL WORK. GENERAL CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL WORK.
4. ALL DIMENSIONS ARE SHOWN TO FACE OF WALL OR FACE OF FOUNDATION AND TO THE CENTERLINE OF DOORS, WINDOWS, AND COLUMNS UNLESS INDICATED OTHERWISE.
5. THE CONTRACTOR SHALL LOCATE AND MARK ALL UTILITY SERVICES AND AVOIDANCE LOCATIONS PRIOR TO THE COMMENCEMENT OF WORK. FIELD VERIFY LOCATION OF ALL EXISTING UTILITY CONDUITS.
6. ALL SETBACKS SHALL BE MAINTAINED SEPARATELY BY APPLICANT PER REQUIREMENTS OF THE CITY OF SOUTH BEND PERMIT APPLICATION.
7. EXTERIOR FINISHES AND EXTERIOR ELECTRICAL FINISHES SHALL ONLY BE INSTALLED ON THE EXTERIOR OF WORK. EXTERIOR FINISHES AND EXTERIOR ELECTRICAL FINISHES SHALL ONLY BE INSTALLED ON THE EXTERIOR OF WORK.
8. ALL WORK SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND STANDARDS. ALL WORK SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND STANDARDS.
9. PROVIDE WORKING DRAWINGS BEHIND EXTERIOR WALLS BEHIND ALL HANDRAILS, COLUMNS, CORNER BARS, EJECTOR RODS, INCLUDING ALL WALL-RELATED ACCESSORIES AND ALL OTHER ACCESSORIES SHOWN ON DRAWINGS.
10. EMBROIDERED ADDRESS SHALL INCLUDE ONE STREET DOOR AT 3" OF MINIMUM WIDTH AND BEHIND DOOR WITH MINIMUM SET BACK OF MINIMUM SET BACK OF MINIMUM SET BACK.
11. COORDINATE SIZE AND LOCATION OF SELECTED EQUIPMENT AND APPLIANCES ACCORDING TO THE MANUFACTURER'S SPECIFICATIONS.
12. EMBROIDERED ADDRESS SHALL INCLUDE ONE STREET DOOR AT 3" OF MINIMUM WIDTH AND BEHIND DOOR WITH MINIMUM SET BACK OF MINIMUM SET BACK.

GENERAL CONSTRUCTION STANDARDS

1. THE FOLLOWING DESCRIBES THE TYPICAL CONSTRUCTION ASSUMED THROUGHOUT THIS DRAWING. SET REQUIREMENTS TO BE CONSIDERED AND LIMITED BY OTHERS. MODIFICATIONS TO THESE DETAILS MAY BE REQUIRED AT THE DISCRETION AND LIABILITY OF THE GENERAL CONTRACTOR.
- 1.1. EXTERIOR WALL ASSEMBLY:
 - 1.1.1. EXTERIOR ASSEMBLY: FINISH COURSE FINISH 1/2" OF FINISH ON WATER RESISTANT BARRIER (1) STRUCTURAL INSULATION.
 - 1.1.2. WALL STRUCTURE: 12" INSULATED BRICK @ 1/2" O.C. OR 1/2" OF MINIMUM INSULATION BETWEEN STUDS.
 - 1.1.3. EXTERIOR FINISH: 1/2" OF FINISH SHALL BE USED.
- 1.2. EXTERIOR WALL ASSEMBLY:
 - 1.2.1. WALL STRUCTURE: 12" INSULATED BRICK @ 1/2" O.C. OR 1/2" OF MINIMUM INSULATION BETWEEN STUDS.
 - 1.2.2. EXTERIOR FINISH: 1/2" OF FINISH SHALL BE USED.
 - 1.2.3. EXTERIOR FINISH: 1/2" OF FINISH SHALL BE USED.
 - 1.2.4. EXTERIOR FINISH: 1/2" OF FINISH SHALL BE USED.
- 1.3. FLOORING: CEILING ASSEMBLY:
 - 1.3.1. FLOORING: CEILING ASSEMBLY: 1/2" OF FINISH SHALL BE USED.
 - 1.3.2. FLOORING: CEILING ASSEMBLY: 1/2" OF FINISH SHALL BE USED.
 - 1.3.3. FLOORING: CEILING ASSEMBLY: 1/2" OF FINISH SHALL BE USED.
 - 1.3.4. FLOORING: CEILING ASSEMBLY: 1/2" OF FINISH SHALL BE USED.
- 1.4. ROOF ASSEMBLY:
 - 1.4.1. EXTERIOR ASSEMBLY: ARCHITECTURAL, SHINGLES ON ACCEPTED PITCH ON (1) STRUCTURAL SHEATHING.
 - 1.4.2. EXTERIOR ASSEMBLY: ARCHITECTURAL, SHINGLES ON ACCEPTED PITCH ON (1) STRUCTURAL SHEATHING.
 - 1.4.3. EXTERIOR ASSEMBLY: ARCHITECTURAL, SHINGLES ON ACCEPTED PITCH ON (1) STRUCTURAL SHEATHING.
 - 1.4.4. EXTERIOR ASSEMBLY: ARCHITECTURAL, SHINGLES ON ACCEPTED PITCH ON (1) STRUCTURAL SHEATHING.
- 1.5. FOUNDATION / BASEMENT CONSTRUCTION:
 - 1.5.1. FOUNDATION / BASEMENT CONSTRUCTION: 1/2" OF FINISH SHALL BE USED.
 - 1.5.2. FOUNDATION / BASEMENT CONSTRUCTION: 1/2" OF FINISH SHALL BE USED.
 - 1.5.3. FOUNDATION / BASEMENT CONSTRUCTION: 1/2" OF FINISH SHALL BE USED.
 - 1.5.4. FOUNDATION / BASEMENT CONSTRUCTION: 1/2" OF FINISH SHALL BE USED.

DRAWING INDEX

00-01	COVER, DRAWING INDEX, AND GENERAL INFORMATION
01-01	SET PLAN, EXTERIOR, AND FOUNDATION PLAN
01-02	SET PLAN
01-03	SET PLAN AND EXTERIOR PLAN
01-04	EXTERIOR ELEVATION
01-05	EXTERIOR ELEVATION, WALL, WINDOW, AND WINDOW & DOOR SCHEDULES
01-06	EXTERIOR DETAILS ELEVATION OPTION A
01-07	EXTERIOR DETAILS ELEVATION OPTION B
01-08	EXTERIOR DETAILS ELEVATION OPTION C
01-09	EXTERIOR DETAILS ELEVATION OPTION D
01-10	EXTERIOR DETAILS ELEVATION OPTION E
01-11	EXTERIOR DETAILS ELEVATION OPTION F
01-12	EXTERIOR DETAILS ELEVATION OPTION G

APPLICABLE CODES

00-01	2021 SOUTH BEND ZONING ORDINANCE	00-01	2021 SOUTH BEND ZONING ORDINANCE
01-01	2021 SOUTH BEND ZONING ORDINANCE	01-01	2021 SOUTH BEND ZONING ORDINANCE
01-02	2021 SOUTH BEND ZONING ORDINANCE	01-02	2021 SOUTH BEND ZONING ORDINANCE
01-03	2021 SOUTH BEND ZONING ORDINANCE	01-03	2021 SOUTH BEND ZONING ORDINANCE
01-04	2021 SOUTH BEND ZONING ORDINANCE	01-04	2021 SOUTH BEND ZONING ORDINANCE
01-05	2021 SOUTH BEND ZONING ORDINANCE	01-05	2021 SOUTH BEND ZONING ORDINANCE
01-06	2021 SOUTH BEND ZONING ORDINANCE	01-06	2021 SOUTH BEND ZONING ORDINANCE
01-07	2021 SOUTH BEND ZONING ORDINANCE	01-07	2021 SOUTH BEND ZONING ORDINANCE
01-08	2021 SOUTH BEND ZONING ORDINANCE	01-08	2021 SOUTH BEND ZONING ORDINANCE
01-09	2021 SOUTH BEND ZONING ORDINANCE	01-09	2021 SOUTH BEND ZONING ORDINANCE
01-10	2021 SOUTH BEND ZONING ORDINANCE	01-10	2021 SOUTH BEND ZONING ORDINANCE
01-11	2021 SOUTH BEND ZONING ORDINANCE	01-11	2021 SOUTH BEND ZONING ORDINANCE
01-12	2021 SOUTH BEND ZONING ORDINANCE	01-12	2021 SOUTH BEND ZONING ORDINANCE

CITY OF
SOUTH BEND



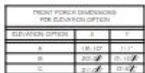
DUPLEX
SOUTH BEND, INDIANA
2 BED / 1 BATH PER UNIT
(2 UNITS TOTAL)
SOUTH BEND, INDIANA

06/22/2022
PRE-APPROVED
BUILDING SET

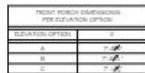
COVER, DRAWING
INDEX, AND GENERAL
INFORMATION

G-O-OI

Elevations



$L = 14.0'$	02	1ST FLOOR PLAN
-------------	----	----------------



AREA OF FLOORING (SQUARE FT)	
LIVING / DINING	181
KITCHEN	85
1ST FLOOR STAIR LANDING	39
BASEMENT STAIR LANDING	30
STAIR TREADS (1ST FLOOR)	31
HALL	75
BEDROOM #1	102
BEDROOM #2	102
BEDROOM	58
CLOSET'S (HALL)	79
TOTAL	747

7	03	2ND FLOOR PLAN
---	----	----------------

 $L = 1.5$ 

DUPLEX
SOUTH BEND MODEL BUILDING
2 BED / 1 BATH PER UNIT
(2 UNITS TOTAL)
SOUTH BEND, INDIANA

06/23/23
PRE-APPROVED
BUILDING SET

114

of these industries, to meet a 4.5% to 5.0% real return. Investors therefore have to understand how to use the high-leverage, high-risk assets.

What also is needed are innovations in the financing of infrastructure. "There is a need to develop a new generation of infrastructure financing vehicles," says the OECD. "The public sector, the private sector, and the international community all have a role to play in financing infrastructure. Public financing is essential, but it is not sufficient. The private sector has a role to play in financing infrastructure, but it is not sufficient. The international community has a role to play in financing infrastructure, but it is not sufficient. The public sector, the private sector, and the international community all have a role to play in financing infrastructure."

TABLE 1

FLOOR PLANS

TABLE 1

A-1.02

Floor Plans

Duplex Rent Roll 5/2023

Suite #	Tenant	RSF	Lease Term	Monthly Rent	Annual Rent	Annual Utilities	Annual Internet	Total Annual Rent
762 Portage	Upstairs	880	Yearly	\$1,600.00	\$19,200.00	\$2,400.00	\$600.00	\$22,200.00
762 Portage	Downstairs (Owner)	880		\$1,600.00	\$19,200.00	\$2,400.00	\$600.00	\$22,200.00
	Total	1,760		\$3,200.00	\$38,400.00	\$4,800.00	\$1,200.00	\$44,400.00
	Leased Space	0				x95%		\$42,180.00
	Vacant Space	0				Expenses		\$9,280.00
						Net Operating Income		\$32,900.00

Rent Roll

PRO - FORMA

Building Size	
First Floor	880 SF
Second Floor	880 SF
Total	1760 SF

Income	\$ 42,180.00
Expenses	\$ 9,280.00
Net Operating Income	\$ 32,900.00

CAP Rate	8.00%
Value	\$411,250

Income	
Total Potential Gross Income	\$ 44,400.00
Utilities Reimbursement (Inc)	\$ 0
Internet Reimbursement (Inc)	\$ 0
Total	\$ 44,400.00

Adjusted Gross Income @ 95%	\$42,180
	\$/SF/YR \$23.96

Expenses	
Taxes	\$ 2,361.00
Insurance	\$ 1,500.00
Utilities	\$ 3,389.00
Janitorial	\$ 0
Internet	\$ 780.00
Landscaping	\$ 600.00
Other Maintenance	\$ 400.00
Property Management (self)	\$ 0
Misc.	\$ 250.00

Total Expenses	\$ 9,280.00
	\$/SF/YR \$5.27

Disclaimer: These numbers are gross estimates and for the purposes of this exercise only. Any actual project will require additional due diligence to determine the appropriate numbers based on actual estimates for the project being proposed.

Budget

South Bend Model Housing		2	Units
Preliminary Construction Estimates		1760	SF
Division	Category	Duplex	% of Subtotal
Division 1	General Conditions and Management	\$24,000	6.3%
Division 31	Excavation, Grading and Shoring	\$6,000	1.6%
Division 33	Underground Utilities	\$17,000	4.5%
Division 2	Landscaping	\$2,500	0.7%
Division 2	Concrete Driveway	\$2,500	0.7%
Division 3	Concrete Foundation/Slab	\$15,039	4.0%
Division 3	Site Concrete	\$2,500	0.7%
Division 6	Wood Framing Package	\$35,500	9.4%
Division 6	Rough Carpentry Labor	\$17,200	4.5%
Division 6	Finish Carpentry	\$11,140	2.9%
Division 7	Roofing and Gutters	\$14,000	3.7%
Division 7	Siding	\$19,490	5.2%
Division 7	Foundation Waterproofing	\$4,000	1.1%
Division 7	Insulation - Thermal/Sound	\$13,000	3.4%
Division 8	Windows	\$10,000	2.6%
Division 8	Doors and Hardware	\$4,501	1.2%
Division 9	Cabinets, Countertops and Hardware	\$6,000	1.6%
Division 9	Window Sills	\$2,500	0.7%
Division 9	Drywall	\$24,000	6.3%
Division 9	Flooring	\$9,000	2.4%
Division 9	Ceramic Tile	\$2,500	0.7%
Division 9	Interior Painting	\$9,000	2.4%
Division 10	Appliances	\$6,000	1.6%
Division 10	Common Area and Unit Accessories	\$5,000	1.3%
Division 21	Fire Sprinklers and Alarm	\$0	0.0%
Division 22	Plumbing and Radon Protection	\$22,000	5.8%
Division 23	HVAC	\$39,000	10.3%
Division 26	Electrical	\$25,000	6.6%
Division 26	Low Voltage - Telcom/Internet/Security	\$2,000	0.5%
	SUBTOTAL	\$350,370	
	8% Builder Fee - % of Subtotal	\$28,030	
	TOTAL	\$378,400	

Cost of Construction incl site/sewer (\$215/sf.)	\$378,400
Vacant Lot	\$ 7,500
Soft Costs	\$ 7,568
TOTAL	\$393,468



May 15, 2023

Ms. Friendly Banker,
1001 Michigan Street
South Bend, IN 46601

RE: Loan Request for 762 Portage Avenue, South Bend, IN 46616

Dear Ms. Banker,

Attached is a loan package for the property we have been discussing. As you will see it is a residential duplex. We plan to complete construction by December 1, 2023.

We are requesting a \$295,000 loan with the best terms you can offer.

Thank you for your consideration.

Mike Keen
Hometowne Development, LLC / Managing Partner
910 Portage Avenue
South Bend, IN 46616
574-514-2096

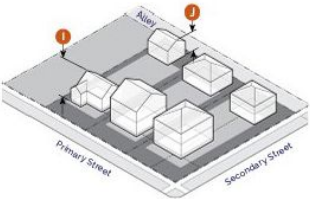
Bank Request



Section 21-03.03: U1 Urban Neighborhood 1

- (a) Intent
- The U1 District is established to provide for, promote, and maintain urban neighborhoods located in both the core and outlying areas of the City.
- The following are typical characteristics of the U1 District:
- Primarily single and two unit residential development in the form of detached houses, allowing the addition of ancillary dwelling units to give additional value
 - Buildings with modest setbacks and inviting building frontages, primarily of stoops and porches, that create a consistent block face along smaller city blocks
 - Detached garages located at the rear of the lot, often accessed from an alley
 - Pedestrian-oriented scale with sidewalks and regularly spaced street trees
- (b) Building Types
- The following building types are permitted in the U1 District:
- Carriage House
 - Detached House
 - Duplex
- The names of the building types are not intended to limit or expand uses allowed within the building. See Section 21-08.02 for building type descriptions and regulations.
- Limited public and institutional uses shall be incorporated at a scale and character compatible with the surrounding neighborhood.

Building Form



(f) Building Form

Building Height

Primary Building (max.)	35 and 2.5 stories	I
Accessory Building (max.) ¹	18'	J

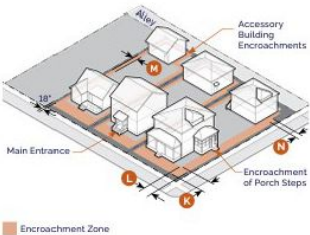
Accessory buildings shall not be taller than the primary building on a lot.

Building Orientation

Primary facades shall be oriented to a front lot line or open space.

¹ Ancillary dwelling units may be built to a maximum height of 26' if located at least 5' from the rear lot line of a lot with a rear alley or at least 20' from the rear lot line of a lot without a rear alley.

Building Components



(g) Building Components

Allowed Building Frontage Types

Porch	21-08.03(c)
Stoop	21-08.03(d)
Gallery	21-08.03(e)

Building Entrance

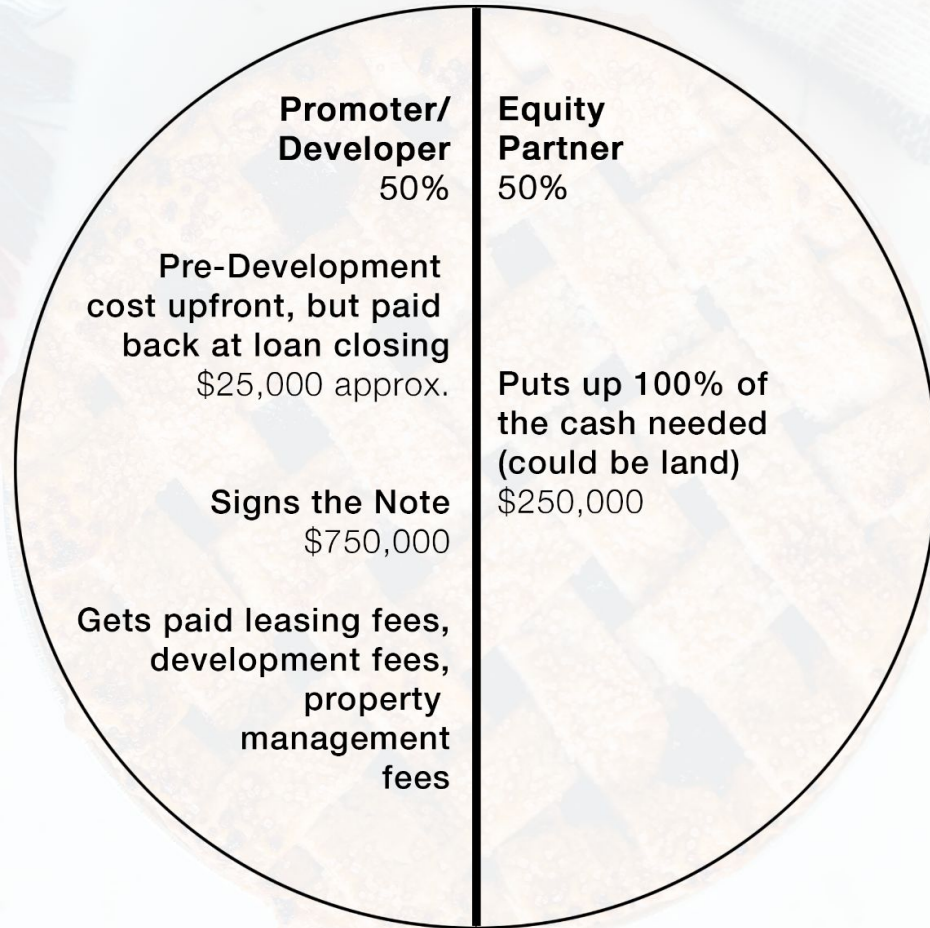
The main entrance shall be located on the front facade, on the corner facade, or on the side facade within 20' of the front facade.

Allowed Encroachments (max.)

	Front	Corner	Side	Rear
Architectural Features	3'	3'	3'	3'
Building Frontage Type	5'	5'	□	□
Balcony	5'	5'	□	□
Bay Window (< 10' wide)	3'	3'	3'	3'
Patio & Decks (under 30")	8'	8'	■	■

Building components shall be at least 18" from any lot line. See Section 21-08.01(g) for building component definitions and additional requirements.

\$1,000,000 total cost of project including all soft costs
Equity needed to get a loan 25% - \$250,000



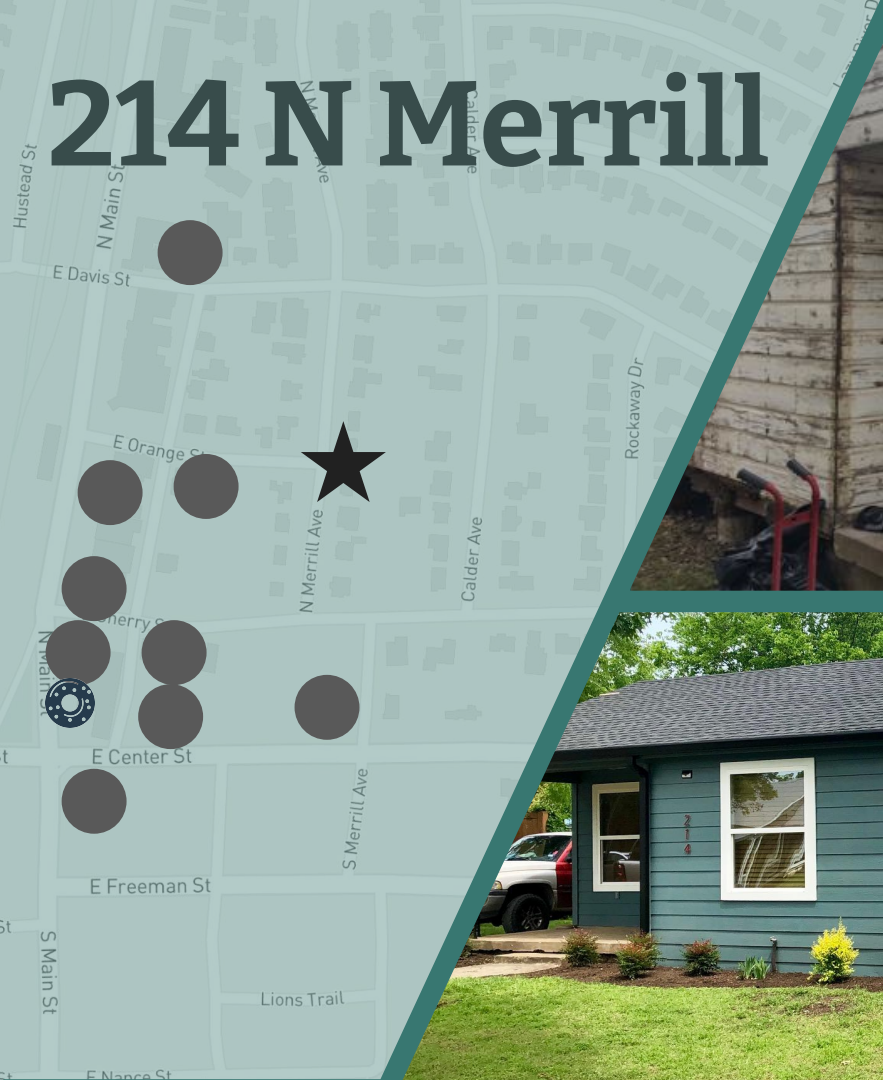
The Whole Pie/Property

Cash Flow

- 1) Debt Service
- 2) Expenses (including fees)
- 3) 100% cash flow goes to equity partner until paid in full
- 4) 50-50 split between developer/equity

Whole Pie

214 N Merrill



Buy / Sell



Merrill Street - 800 SF

Purchase Price	\$25,000
Remodel Cost	+ \$90,000
<u>Soft Cost</u>	<u>+ \$15,000</u>
Total Project Cost	\$130,000
Sales Price	\$165,000
Sales Commissions	- \$9,900
Closing Costs	- \$4,500
Prorated Taxes	- \$1,500
<u>Project Costs</u>	<u>- \$130,000</u>
<u>Profit</u>	\$19,100

Important questions to ask yourself.

- Who is leasing the spaces?
- Who will be managing the property?
- Are you comfortable with money?
- What stress are you willing to live with?
- What boundaries do you want to set?
- What risk do YOU want to absorb?

What's next for South Bend?

Home Work

- ❑ Interview at least 1 banker and 1 investor
- ❑ Do a simple proforma on one project.
- ❑ If you have a project ready for the bank, put your package together.
- ❑ Send to Marty





Thank you!
Remember:
DO GOOD.
MAKE MONEY.