

# Request for Proposals

174 North King Street  
Workforce Housing Development  
Jackson, Wyoming

Submittal Deadline  
February 9, 2018

Submitted by:  
Bear Development, LLC



Contact Person:  
Nick Orthmann  
262-842-0656

[northmann@beardevelopment.com](mailto:northmann@beardevelopment.com)

4011 80<sup>th</sup> Street  
Kenosha, WI 53142

# **Section 1**

## **Project Description**

Project Description

The proposed project will include 26 units of affordable rental housing, including 4 one-bedroom units and 22 two-bedroom units. One-bedroom units will be approximately 700 square feet and two-bedroom units approximately 1,000 square feet. The primary financing source for the project will be Low-Income Housing Tax Credits (LIHTC), HOME funds, AHP Grant administered via the Federal Home Loan Bank and potentially USDA funding sources. All units will be restricted to less than 60% Area Median Income. The exact mix of AMI's is still yet to be determined but likely a combination of 50% or 60% AMI. The units will all have direct access from the ground floor either directly to their unit or a stairwell shared by no more than one other residence. The unit styles will be a combination of single story ranch style units and two-story town home. The apartment units will be situated around an interior at grade parking deck that contains 26 parking stalls (1.0 per unit). The project will provide crucial workforce housing to the Town of Jackson and affordability will be maintained through the LIHTC program. WCDA is the administer of the LIHTC program in Wyoming and they typically mandate a 50-year land use restriction agreement (LURA) to ensure affordability. Bear will work with the Town of Jackson to provide preference to the town for five units. However, it should be noted that to qualify those residents must meet the federal AMI standards so as not to violate the terms of the LIHTC program and fair housing regulations. The Town could have preference for those units to ensure Town employees have the first opportunity however in the event the Town does not have qualifying applicants, the units could be leased to others. Below is a table showing the most recent maximum income limits and rent limits for the LIHTC program.

LIHTC Income Limits for 2017

	60% AMI	50% AMI
1 Person	\$ 38,400	\$ 32,000
2 Person	\$ 43,920	\$ 36,600
3 Person	\$ 49,380	\$ 41,150
4 Person	\$ 54,840	\$ 45,700
5 Person	\$ 59,280	\$ 49,400
6 Person	\$ 63,660	\$ 53,050

LIHTC Rent Limits for 2017

Bedrooms (People)	60% AMI	50% AMI
Efficiency (1.0)	\$ 960	\$ 800
1 Bedroom (1.5)	\$ 1,029	\$ 857
2 Bedrooms (3.0)	\$ 1,234	\$ 1,028
3 Bedrooms (4.5)	\$ 1,426	\$ 1,188

**Section 2**

**Project Team Description &  
Qualifications**

## Project Team Description & Qualifications

### ***Development***

Bear Development, LLC will serve as the developer for the project and will be responsible for coordinating all aspects of the development. Bear has been active in affordable housing development for 10 years. Biographies of senior staff are provided below as well as a history of completed multifamily developments the firm has undertaken in the past several years. The project will be owned by a typical LIHTC partnership with Bear serving as the managing member; an organizational chart for this is provided on the following pages as well.

### ***Corporate Biography***

With roots dating back to 1924, Bear Development prides itself on its rich history of providing innovative solutions to complicated real estate developments. Since 1986, the company has been involved with the acquisition and development of residential, multifamily, hospitality, retail, office, and industrial projects. Today, Bear is an integrated organization with affiliated companies in Construction, Brokerage, and Property Management. The firm currently owns and manages real estate in Illinois, Wisconsin, Texas, Iowa, Wyoming, Georgia, South Dakota, Arkansas, Minnesota, North Dakota, and Virginia.

Our goal is to provide comprehensive real estate solutions in the residential, commercial and hospitality sectors. Leveraging the most talented people available, we strive to create the highest-quality real estate products designed to provide long-term value to our stakeholders. Bear is committed to creating value in the communities where we live, work and serve.

Bear specializes in residential (apartments and single family homes), mixed-use, hospitality, and commercial development. In particular, we have developed a deep expertise in new construction and rehabilitation developments utilizing LIHTC and also HUD's RAD program. We bring the unique perspective of being an owner, developer, and contractor to each project. Our expertise allows us to provide comprehensive services in joint venture relationships. Our history and experience has established trusted relationships with investors, lenders, sellers, municipal officials, building partners, tenants and homeowners.

## ***Development Team Biographies***



***S.R. Mills, President of Bear Development & CMA-*** S.R. joined the Bear Family of companies in 2002 and is the president and a principal of Bear Development, Bear Commercial, Bear Homes and CMA. Each company plays a pivotal role in the acquisition, development and construction of master planned residential communities and commercial projects. S.R. will work with SHA and the development team to develop an overall strategy on the redevelopment effort, vet financial structures, play a key role in debt and equity negotiations, and assist with community outreach. He has been involved in the development and financing of thousands multifamily and LIHTC units, as well as a plethora of commercial and single family home developments. Part of this experience was working with housing authorities in a co-developer and general contractor capacity on RAD deals, specifically in Illinois. He is a speaker at housing conferences and an industry leader. Prior to his career with Bear, he worked with a number of technology companies in northern California. He earned his bachelor's degree in real estate, finance and investment from St. Cloud State University and his master's in real estate from Roosevelt University. S.R. holds the Certified Commercial Investment Member (CCIM) designation and is on the Wisconsin CCIM Board of Directors.



***John Reinhart, CFO of Bear Development-*** John joined the Bear Family of companies in 2012 and is the Chief Financial Officer for Bear Development, Bear Homes and Construction Management Associates (CMA). He has extensive background in real estate development and real estate accounting, including tax, audit and consulting. John will work with SHA and the development team on all accounting aspects of the transaction. Prior to his career with Bear, he worked with two commercial real estate developers based in Milwaukee, WI. Prior to his work in real estate development, John spent nine years in public accounting, primarily with the Reznick Group (now CohnReznick), a national accounting firm specializing in LIHTC developments. He earned his bachelor's degree in finance and his master's degree in business administration from the University of Wisconsin-Milwaukee. John is a certified public accountant (CPA) licensed in the state of Wisconsin and previously in the state of Illinois.



**Adam Templer, Vice President of Bear Development-** Adam is the Vice President at Bear Development and specializes in housing developments that utilize LIHTC, HUD's mixed finance and RAD programs, and historic tax credits. At Bear, he is responsible for sourcing new opportunities and guiding each project from inception through final stabilization and beyond. Prior to joining Bear, Adam earned his CPA license and spent time at Deloitte and Baker Tilly where he focused on audits of clients in the real estate industry. He then moved to a consulting role at Baker Tilly where he developed expertise in complex Section 42 (LIHTC) and Section 47 (historic tax credit) issues, equity and debt structuring, soft funding (e.g. AHP grants, HOME), and structuring deals with public housing authorities. He was involved in various aspects of securing the financing and closing more than 85 transactions that consisted of over \$1.25 billion in development costs, 7,800 units, and \$670 million of investor equity. During HUD's roll-out of the RAD program, he provided technical assistance to housing authorities across the country with 50 to 20,000 units. The services were provided under a HUD technical assistance contract with the goal of aiding housing authority's review of RAD's impact on their developments and organization as a whole as well as vetting all financing options under RAD. Adam provided RAD and mixed financial consulting services to housing authorities within IL with financing including 4% and 9% LIHTC, tax-exempt bonds, traditional debt, CFFP financing, IL PHA Energy Efficiency Grants, EPCs, RHF funds, HOME funds, Trust funds, IAHTC (a.k.a. IL "donation" credit), CDBG, AHP grants, and many others. He also gained experience working for a nationwide developer on its property acquisitions team. Adam received his BBA in Accounting and Master of Accountancy degrees from the University of Wisconsin-Madison, is a licensed CPA in the state of Wisconsin, and a member of the AICPA.



**Jonah Hetland, Chief Operating Officer of CMA-** Jonah is the Chief Operating Officer of Construction Management Associates and Bear Homes and the Director of Construction for Bear Development. Jonah has an extensive background in real estate development, commercial construction and land use planning. Jonah joined the Bear Real Estate Group of companies in 2007 and has been involved in various capacities on both the real estate development side and the commercial/residential construction side throughout his tenure. He has developed an expertise in all aspects related to construction with the RAD program through his involvement in several RAD deals located in various states, including IL. Prior to his work at the Bear Real Estate Group, Jonah spent six years in the public sector while working for the Kenosha County Department of Planning and Development as a Land Use Planner. While working there Jonah worked with various commercial and residential developers on civil engineering related issues along with various stages of entitlement approvals. Jonah earned his bachelor's degree in 2001 from the University of Wisconsin-Madison. Jonah is also an active member of the Planning Commission for the Village of Silver Lake, WI.



**Recent LIHTC Development Experience**

Property Name	Location	Units	Total Dev Costs	Type of Dev	Type of Occupancy	Rent Subsidy	Financing	Financial Closing	Completion	Bear Role
Arbor Green	Kenosha, WI	48	\$5.4 million	Walk-Up	General	Section 8 HAP Contract	9% LIHTC, 1st mortgage	Sep-11	Aug-12	Owner, Developer and GC
Silvercrest	Silver Lake, WI	36	\$4.1 million	Walk-Up	Senior & General	Section 8 HAP Contract	9% LIHTC, 1st mortgage	Sep-11	Aug-12	Owner, Developer and GC
Residences on Main	Tw in Lakes, WI	24	\$3.8 million	Mixed Use	Senior	None	9% LIHTC, 1st mortgage debt, brownfield grant, TIF	Nov-12	Oct-13	Owner, Developer and GC
Meadows of Mill Creek	Salem, WI	24	\$4.5 million	Ranch and Townhomes	General	None	9% LIHTC, 1st mortgage, Gateway loan	Nov-12	Oct-13	Owner, Developer and GC
Fox Crossing	Burlington, WI	24	\$5.1 million	Mid-Rise	General	None	9% LIHTC, 1st mortgage, AHP grant, brownfield grant, TIF	Dec-13	Nov-14	Owner, Developer and GC
700 Lofts	Milwaukee, WI	49	\$8.0 million	Mid-Rise-Historic	General	None	9% LIHTC, 1st mortgage, AHP, WI HTC	Jun-14	Jul-15	Owner, Developer and GC
5 <sup>th</sup> Avenue Lofts	Kenosha, WI	60	\$11.4 million	Mid-Rise	General	None	9% LIHTC, 1st mortgage, brownfield grant, AHP grant via FHLB Chicago, TIF	Dec-14	Jan-15	Owner, Developer and GC
Layton Square	Cudahy, WI	57	\$11.9 million	Mid-Rise	General	None	9% LIHTC, 1st mortgage, AHP grant, Citibank Aff Hsg Sub Loan	Dec-15	Jan-17	Owner, Developer and GC
Central Park Towers	Elgin, IL	164	\$33.1 million	High-Rise	Senior	RAD- PBRA	9% LIHTC, 1st mortgage, IAHTC proceeds, seller loan	Dec-15	Mar-16	General Contractor
Fox Crossing II	Burlington, WI	32	\$5.3 million	Mid-Rise	Senior	None	9% LIHTC, 1st mortgage, AHP grant, Citibank Aff Hsg Sub Loan	Feb-16	Jan-17	Owner, Developer and GC
Willis Avenue	Perry, IA	38	\$6.4 million	Mid-Rise	General	None	9% LIHTC, 1st mortgage, Citibank Aff Hsg Sub Loan, IA Brownfield credits, IA Workforce CR	Feb-16	Jan-17	Owner, Developer and GC
Family Ct Townhomes	Elgin, IL	74	\$16.8 million	Townhomes	General	RAD- PBRA	4% LIHTC, tax-exempt bonds (construction) loan, 1st mortgage, seller loan, IAHTC proceeds	Jun-16	Apr-17	Co-Owner, Co-Developer and GC
Stanley Terrace	Deerfield Beach, FL	96	\$8.7 million	Walk-Up	General	RAD- PBRA	4% LIHTC, tax-exempt bonds (construction), 1st mortgage, seller loan	Sep-16	Sep-17	General Contractor
River's Edge Townhomes*	Elgin, IL	30	\$7.7 million	Townhomes	General	RAD- PBV	4% LIHTC, tax-exempt bonds (construction) loan, 1st mortgage, seller loan, IAHTC proceeds, HOME	May-17	Aug-17	Owner, Developer and GC
Fulton Commons	Fulton, IL	40	\$9.3 million	Mid-Rise	General	25% S8 PBVs	9% LIHTC, 1st mortgage	Jun-17	Jun-18	Owner, Developer and GC
Novation Senior Apartments	Madison, WI	60	\$11.2 million	Mid-Rise	Senior	None	4% LIHTC, 1st mortgage, HOME, TIF	Jun-17	Jun-18	Owner, Developer and GC
McCall Company Lofts*	Kenosha, WI	57	\$16.6 million	Mid-Rise-Historic	General	None	4% LIHTC, state/federal historic credits, 1st mortgage, HOME, AHP, environmental grants	Jul-17	Jul-18	Owner, Developer and GC
Scenic View	Slinger, WI	48	\$4.8 million	Mid-Rise	General & Senior	Mixed Finance / RAD- PBRA	9% LIHTC, seller loan, AHP grant via FHLBC	Sep-17	Sep-18	Co-Owner, Developer and GC
Chelsea Senior Commons*	Sugar Grove, IL	40	\$11.3 million	Mid-Rise	Senior	None	4% LIHTC, tax-exempt bonds (construction), 1st mortgage	Jun-18	Jun-19	Co-Owner, Developer and GC
Montgomery & Lawson*	Eatonton, GA	114	\$15.8 million	Mid-Rise & Walk-Up	General	RAD-PBRA	4% LIHTC, tax-exempt bonds (construction), 1st mortgage, AHP grant, Seller Loan,	May-18	May-19	Co-Owner, Developer and GC

**Total 1115 \$201.2 million**

\*Currently in the financial closing process

In addition to the previous experience above, Bear has also been selected by the Fort Wayne Housing Authority (Indiana) and the Waukegan Housing Authority to redevelop their existing public housing portfolios. Each portfolio consists of approximately 800 units.

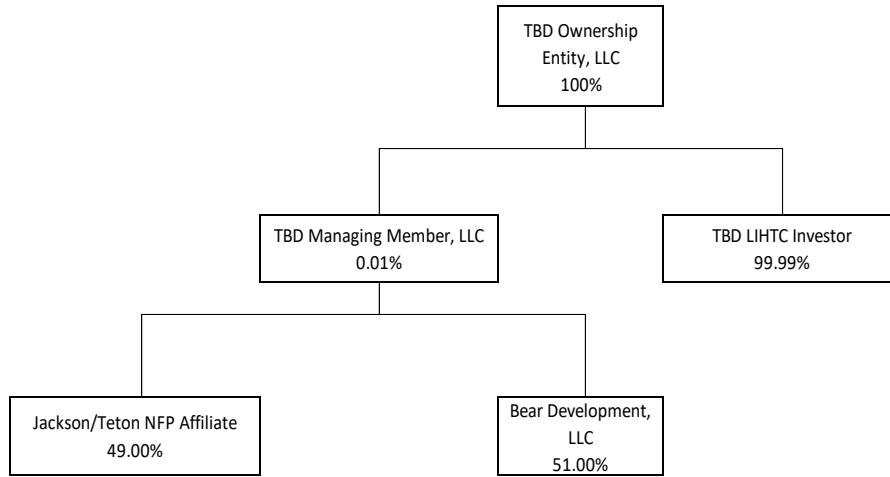


## **Architecture**

**Thomas Miller, Principal of Kahler Slater, Inc.-** Tom Miller of Kahler Slater will serve as the lead design architect for the project. Tom leads Kahler Slater's multi-family housing and hospitality markets. An expert in both fields, Tom has extensive experience working on privately financed projects including those utilizing state and federal historic, low-income and new markets tax credits. Throughout his career, he has developed a level of expertise in partnering with developers to provide high-quality design within proposed development budgets.

**Arne Jorgensen, Principal of Hawtin Jorgensen Architects-** Arne Jorgensen will serve as the local architect for the project. A native of Jackson, Wyoming, Arne joined Bruce Hawtin, Architect in 1989, forming Hawtin Jorgensen Architects ten years later. Arne manages a variety of project types and has a long-standing interest and involvement in community planning, sustainable building and housing issues. Arne is currently an emeritus and founding board member of the Jackson Hole Community Housing Trust, a nonprofit that provides affordable housing to individuals and families in our community. He also serves as chair of the Wyoming Community Foundation, which funds a variety of nonprofit organizations. He is a board member and past president of the Wyoming State Board of Architects and Landscape Architects; member of the Yellowstone Sustainable Framework Design Team and Certification Task Force; and a member of the American Institute of Architects. He serves on the advisory board of the Jackson branch of First Interstate Bank. He has won two AIA Wyoming Awards and holds both bachelor's and master's degrees in architecture from Montana State University.

**Ownership Structure**



*Bear Development will be responsible for all financial guarantees and liabilities. The non-profit partner will not be expected to co-sign on any guarantee or liability.*

# **Section 3**

## **Project Financial Information**

Project Financial Information

The project will be financed through a variety of sources. Bear will submit the project for a 9% LIHTC award through WCDA. We anticipate that the LIHTC award will generate approximately \$8 million in equity for the development. The project will also utilize a construction loan of approximately \$9.2 million and a conventional first mortgage of approximately \$2 million. To close the funding gap the project will also require financial assistance from the Town of Jackson and/or the Jackson/Teton Housing Authority in the amount of \$1.5 million which could be structured as a forgivable loan or grant. The final LIHTC amount is still subject to change and is subject to WCDA approval which could potentially increase the amount of financial assistance needed from the town or Housing Authority. Bear has relationships with numerous lenders and equity providers and will leverage these relationships to secure the best financial package possible. A more in depth breakout of the project sources and uses is provided in project criteria worksheet in the following section.

<b>Sources</b>	<b>Permanent</b>
LP- TC Investor	8,023,325
1st Mortgage- TBD Lender	2,000,000
Town Financial Assistance	<u>1,500,000</u>
<b>Total Sources</b>	<b>11,523,325</b>

**Section 4**

**Project Criteria Worksheet**

Project Criteria Worksheet (estimates)

**174 North King Street: Project Criteria Worksheet**

Total Square Feet:	26,300	Ownership:	Public/Private
Total Restricted Square Feet:	26,300	Management:	Public/Private

**Unit Summary**

	# Units	Bedrooms	Unit Sq. Ft.	Restriction	AMI Served
Unit Type A	4	1	700		60%
Unit Type B	11	2	1000		50%
Unit Type C	11	2	1000		60%
Unit Type D					
Unit Type E					
Unit Type F	<i>*Note- 5 units will be reserved for Town of Jackson employees</i>				

**Funding**

**Public Funds** Comments

General Fund 1,500,000

Land 0

Total Public Funds Per Square Foot 57.03

**Partner Funds** Comments

Debt 2,000,000

Equity 8,023,325

In-Kind Donation 0

**Financing** Comments

Debt to Equity Ratio 4.01

**Project Cost** Comments

Land Cost -

Permitting and Design 298,000

Developer Fee 1,000,000

Construction including infrastructure 8,315,050

Soft Costs & Financing Fees 1,498,023

Purchased offsite parking spaces -

Contingency 412,253

**Total Cost Per** Comments

Square Foot - Gross 438.15

Square Foot - Liveable 464.65

Unit 443,205

Bedroom 240,069

**Construction Only Cost Per** Comments

Square Foot - Gross 316.16 Includes GC Fees

Square Foot - Liveable 335.28 Includes GC Fees

Unit 319,810

Bedroom 173,230

**Timing (duration - # calendar days)** Comments

Design and Approvals 378

Construction to Cert. of Occupancy 365

**Parking Consideration** Comments

Onsite spaces per unit 1.00

Purchased offsite spaces per unit 0

**Rental and/or Sales Price** Comments

Restricted rental rate per square foot 1.02

Restricted sales price per square foot 0

**Section 5**  
**Site Plan & Design**

### Site Plan & Design

Bear's goal in designing the site is to maximize FAR and provide a quality affordable housing option in the Town of Jackson. In doing so we must work within the requirements set forward by WCDA for both design and financing. Our goal is first to come to an agreement on an amendable financing structure with the Town of Jackson/Jackson Teton Housing Authority and WCDA, as the financial structure ultimately influences the final design of the site.

Our initial thought is that to maximize use of the site, we will design a one-story interior parking deck surrounded by one and two-story units. Elements of the two-story units will be skyplaned over the top of the parking deck. Each unit would have its own private front entrance with no common hallways in the structure. We anticipate a unit mix of 4 one-bedroom units and 22 two-bedroom units. At 26 total units, we estimate that parking could be provided on site at a ratio of 1 stall per unit.



# **Section 6**

## **Sustainable Development**

### Sustainable Development

Bear will work to create a development that aligns with the community's goal of climate sustainability. The building will be constructed of high quality materials and feature energy efficient design elements. The units will be equipped with high efficiency HVAC systems, lighting fixtures and appliances. Bear, the design team and the general contractor to design the building to achieve the lowest HERS index score that is feasible.

# **Section 7**

## **Schedule**

## Schedule

RFP Response Submitted	February 9, 2018
Bear Selected as Successful RFP Respondent	March 19, 2018
Preliminary Entitlements Secured from Town of Jackson	August 1, 2018
LIHTC Application Submitted to WCDA	September 2018 (estimated)
LIHTC Award Received from WCDA	Deceber 2018 (estimated)
Final Design & Entitlements Completed	April 1, 2019
Construction Start	June 1, 2019
Construction Finish & Certificate of Occupancy	August 1, 2020