



Louisiana Housing  
Corporation

# Board of Directors

## Agenda Item #10

Resolution of intention to issue not exceeding Ten Million Dollars (\$10,000,000) Multifamily Housing Revenue Bonds for **Malcolm Kenner Project** located at 850 Reverend Richard Wilson Drive, Kenner, Jefferson Parish, Louisiana 70062, in one or more series to finance the acquisition, construction, rehabilitation, rehabilitation, and equipping of a multifamily housing development within the State of Louisiana; to **establish the maximum qualified basis and low-income housing credits to Malcolm Kenner Project**; to authorize the staff and counsel to prepare the forms of such documents and agreements as may be necessary **to allocate 4% Low-Income Housing Tax Credits to such facilities**; and to provide for other matters in connection therewith.

**May 12, 2021**

## Malcolm Kenner Kenner, Louisiana Jefferson Parish

Construction Type: Acquisition & Rehab

Developer Contact: Marcin Dzido

LEDG Capital, LLC  
1200 5th Avenue Suite 1825  
Seattle, WA 98101

Buildings / Units: 12 / 66

Total Development Costs: \$15,701,913.00

Total Cost / Sq. Ft: \$295.17

Total Cost /Unit: \$237,907.77

\*Excluded from TDC Limit Calculation: Reserves and Community  
Facilities Costs.

### Narrative

Malcolm Kenner Apartments is an existing multifamily development at 850 Reverend Richard Wilson Drive in Kenner, LA. Malcolm Kenner offers 22 two- and 44 three-bedroom units to families. 65 out of 66 units benefit from project-based Section 8 rental subsidy. The project is located on two sites facing each other. The project has 12 buildings, 9 on one side of Third Street and 3 on the opposite. The 12 buildings are two-story walk-ups. The buildings were constructed in 1969 and are in good condition. Unit amenities include tile flooring, a stove and refrigerator, wall A/C and cable TV access. The units have gas heat, gas water heating, and gas ranges. All utilities except electricity are provided by the owner. Malcolm Kenner will be renovated using LIHTC which will assure that the project remains high quality housing option for low income families for years to come.

### Reason for Requested Approval

Requesting Approval of:

- \$10,000,000 in Multifamily Housing Revenue Bonds
- \$547,530 in Low Income Housing Tax Credits

### Project History and Previous Board Action

Acquisition Rehab of a Project Based Section 8 Multifamily Development

#### Development Team

Developer - LEDG Capital, LLC  
Architect - Benton Design Group  
Builder/Contractor - Wilshire Pacific Builders LLC  
Attorney - Coats Rose  
Accountant - Little & Associates  
Management Company - Latter & Blum Property Management  
Syndicator - CREA

### Project Specifics

#### Construction Costs

#### Amount

Building Acquisition	\$6,825,000.00
Land Acquisition	\$100,000.00
Total Hard Costs	\$5,443,784.00
Construction Contingency	\$544,378.00
Total Developer's Fee	\$1,826,469.00
Total Soft Costs / Other	\$2,141,111.00
Total Development Cost	\$16,880,742.00
Maximum TDC Limit	\$238,147.33
*Adjusted TDC	\$15,701,913.00

#### Development Costs

* Total Development Costs	\$15,701,913
Total Units	66
Total Buildings	12
Total Cost/Unit	\$237,908
Total Square Feet	53,196
Total Cost/Sqft	\$295

\*Excluded from TDC Limit Calculation: Reserves and Community Facilities Costs

#### Funding Sources

FHA	\$10,719,520.00
Deferred Developer Fee	\$1,288,937.00
Estimated LIHTC Equity Proceeds	\$4,872,285.00
Total Sources of Funds	\$16,880,742.00

#### Unit Mix

0 BR	1 BR	2 BR	3 BR	4 BR
0	0	22	44	0

**2021 Application / 2021 QAP**  
**Malcolm Kenner 4% LIHTC**

<b>Total Development Cost</b>	<b>\$</b>	<b>16,880,742</b>	<b>\$</b>	<b>15,054,273.00</b>	<b>Total cost net developer fee</b>
					<b>12.66% Developer fee percent</b>
<b>Developer Fee Rehab</b>	<b>35%</b>	<b>\$</b>	<b>5,443,784</b>		
<b>Total Allowable Developer Fee</b>	<b>\$</b>	<b>1,905,324</b>		<b>35% of rehab line item</b>	
<b>Non profit 20% fee</b>	<b>\$</b>	<b>-</b>		<b>20% of maximum Developer fee</b>	
<b>Total Fee</b>	<b>\$</b>	<b>1,905,324</b>		<b>Maximum permitted Developer fee.</b>	
<b>Total Developer Fee</b>	<b>\$</b>	<b>1,826,469</b>			

## LOUISIANA HOUSING CORPORATION

The following resolution was offered by Board Member \_\_\_\_\_ and seconded by Board Member \_\_\_\_\_:

### RESOLUTION

**A resolution of intention to issue not exceeding Ten Million Dollars (\$10,000,000) Multifamily Housing Revenue Bonds for Malcolm Kenner Project located at 850 Reverend Richard Wilson Drive, Kenner, Jefferson Parish, Louisiana 70062, in one or more series to finance the acquisition, construction, rehabilitation, and equipping of a multifamily housing development within the State of Louisiana; to establish the maximum qualified basis and low-income housing credits to Malcolm Kenner Project; to authorize the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low-Income Housing Tax Credits to such facilities; and to provide for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Corporation (the “**Corporation**”) is authorized by Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to finance residential housing in the State of Louisiana (the “**State**”); and

**WHEREAS**, developer listed in Schedule I hereto, (the “**Developer**”) has met with officials of the Corporation and has advised the Corporation of the Developer's interest in the acquisition, construction, rehabilitation, and equipping of a multifamily housing facility, more particularly described in Schedule I hereto (the “**Project**”) within the State, subject to the willingness of the Corporation to finance the Project by the issuance of revenue bonds pursuant to the Act; and

**WHEREAS**, the Corporation deems it necessary and advisable that it takes such action as may be required under applicable statutory provisions to authorize and issue revenue bonds in one or more series to finance the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds, the aggregate costs of the Project and costs of authorization, issuance and sale of the bonds being presently estimated to be the amount set forth in Schedule I hereto; and

**WHEREAS**, the Developer has stated its willingness to arrange for the acquisition, construction, rehabilitation, and equipping of the Project and to enter into contracts therefore; and

**WHEREAS**, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take

the other similar “official action” towards the issuance of the bonds prior to the commencement of the acquisition, construction, rehabilitation, and equipping of an exempt facility bond project; and

**WHEREAS**, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto; and

**WHEREAS**, the Corporation has approved certain application and other forms, documents and proceedings related to the Low-Income Housing Tax Credits Program, including credits available to projects financed with tax-exempt bonds under Section 142(d) of the Internal Revenue Code (the “**Code**”) pursuant to Section 42(h)(4) of the Code; and

**WHEREAS**, the staff of the Corporation has processed the application for the Project in accordance with the Qualified Allocation Plan and is prepared, based upon the preliminary feasibility analysis to recommend low-income housing tax credits (“**LIHTCs**”) for the Project:

**NOW THEREFORE BE IT RESOLVED** by the Board of Directors of the Louisiana Housing Corporation, that:

**SECTION 1.** Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, construction, rehabilitation, and equipping thereof through the issuance of revenue bonds of the Corporation pursuant to the Act is hereby authorized not exceeding **Ten Million Dollars (\$10,000,000)** aggregate principal amount of Multifamily Housing Revenue Bonds (Malcolm Kenner Project Project) in one or more series (the “**Bonds**”) and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Corporation acting by and through its Board of Directors towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any “related person” as

defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the “**Code**”); or (iii) any legal successor thereto, respectively, subject to approval of the Corporation’s Bond Counsel, hereinafter employed.

**SECTION 2.** The costs of financing the Project will be paid out of the proceeds from the sale of the Bonds, in one or more series, which shall be special, limited obligations of the Corporation, payable solely out of the income revenues, and receipts derived from the Project for which financing is made available. The Bonds and the interest thereon shall never constitute obligations, either general or special of the State, or of any political subdivision of the State or give rise to a pecuniary liability of the State or of any political subdivision of the State within the meaning of any provision or limitation of the Constitution or statutes of the State. The Corporation does not have the power to pledge the general credit or taxing power of the State or of any political subdivision of the State.

**SECTION 3.** The issuance of the Bonds pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. The Bonds shall mature not later than forty (40) years from their date of issuance and shall bear interest per annum at a rate not in excess of twelve (12.0%) per annum. In authorizing the issuance of the Bonds, the Corporation will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer’s purposes or needs. The Bonds shall be sold by the Corporation on such date as may be determined by the Chairperson or Vice-Chairperson of the Board of Directors of the Corporation, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as **Exhibit I**.

**SECTION 4.** The Project is hereby preliminarily approved for LIHTCs in the amount of **Five Hundred Forty-Seven Thousand Five Hundred Thirty Dollars (\$547,530)** in accordance with the preliminary feasibility analysis report (the “**F&V Report**”) of the Corporation's tax credit underwriter (the “**Tax Credit Underwriter**”), provided, however, that staff is hereby further authorized and directed to adjust such LIHTCs based upon (a) any reprocessing submitted by the taxpayer/owner and the LIHTCs recommended and approved in a supplemental F&V Report of the Underwriter and/or (b) the final audited cost certification review of the Project by the Tax Credit Underwriter following the placement in service of the Project as required by Section 42(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

**SECTION 5.** The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

**SECTION 6.** The Chairperson, Vice-Chairperson, and/or Executive Director of the Corporation are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

**SECTION 7.** The Chairperson, Vice-Chairperson, and Executive Director of the Corporation are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Corporation, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be



required by law, including an application to the State Bond Commission for approval of the financing.

By virtue of the Corporation's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

**SECTION 8.** All commitments by the Corporation herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Corporation and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

**SECTION 9.** That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Butler Snow LLP, Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Corporation to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are

delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

**SECTION 10.** The Developer will comply with all rules, regulations and reviews of the Corporation in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

**YEAS:**

**NAYS:**

**ABSENT:**

**ABSTAIN:**

And the resolution was declared adopted on this, the 12<sup>th</sup> day of May, 2021.

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Vice-Chairperson

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Secretary

**SCHEDULE I**

**DEVELOPER:** LEDG Capital, LLC

**INITIAL OWNER/OPERATOR:** Malcolm Kenner Partners, LLC

**BOND AMOUNT:** Not exceeding \$10,000,000

<b>PROJECT NAME</b>	<b>LOCATION</b>	<b>ESTIMATED NUMBER OF UNITS</b>	<b>ESTIMATED TOTAL COST</b>
Malcolm Kenner Project	850 Reverend Richard Wilson Drive, City of Kenner, Jefferson Parish, Louisiana	66	Approximately \$16,880,742

I, as authorized representative of the Taxpayer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

**MALCOLM KENNER PARTNERS, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT I

### NOTICE OF INTENTION TO SELL AT PRIVATE SALE

**NOT EXCEEDING \$10,000,000**  
**LOUISIANA HOUSING CORPORATION**  
**MULTIFAMILY HOUSING REVENUE BONDS**  
**(MALCOLM KENNER PROJECT PROJECT)**

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”), that the Louisiana Housing Corporation (the “**Corporation**”), proposes to sell its Multifamily Housing Revenue Bonds (Malcolm Kenner Project Project) in one or more series (the “**Bonds**”) maturing not later than forty (40) years from their date of issuance in aggregate principal amount of **Ten Million Dollars (\$10,000,000)** in one or more series at a rate or rates not exceeding twelve percentum (12.0%) per annum. The Bonds are to be sold to **Stifel, Nicolaus & Company, Inc.** or such other purchaser to be determined by the Corporation at a later date to finance the acquisition, construction, rehabilitation, and equipping of **Malcolm Kenner Project**, located in Kenner, Jefferson Parish, Louisiana (the “**Project**”) at a meeting of the Board of Directors of the Corporation scheduled for **July 14, 2021**, at ten (10:00) o’clock a.m., Louisiana time, at the offices of the Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Corporation reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the Chairperson or Vice-Chairperson of the Board of Directors of the Corporation. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Corporation and a Trust Indenture (the “**Indenture**”) to be executed by and between the Corporation and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, construction, rehabilitation, and equipping of a multifamily housing project and paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Corporation and will be payable solely out of the income, revenues, and receipts derived from the Project and funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Corporation in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds (not in excess of twelve percent (12.0%)),

payable on such dates as set forth in the Indenture, and will mature no later than forty (40) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution, applicable statutes and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution, any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Butler Snow LLP, Bond Counsel, 201 St. Charles Avenue, Suite 2700, New Orleans, LA 70170.

BY ORDER OF THE BOARD OF DIRECTORS, acting as the governing authority of the Corporation.

**LOUISIANA HOUSING CORPORATION**

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Vice-Chairperson

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Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Directors on May 12, 2021, entitled: “A resolution of intention to issue not exceeding Ten Million Dollars (\$10,000,000) Multifamily Housing Revenue Bonds for Malcolm Kenner Project located at 850 Reverend Richard Wilson Drive, Kenner, Jefferson Parish, Louisiana 70062, in one or more series to finance the acquisition, construction, rehabilitation, rehabilitation, and equipping of a multifamily housing development within the State of Louisiana; to establish the maximum qualified basis and low-income housing credits to Malcolm Kenner Project; to authorize the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low-Income Housing Tax Credits to such facilities; and to provide for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 12<sup>th</sup> day of May 2021.

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Secretary

(SEAL)