



**RESOLUTION NO. 24-01**

**RESOLUTION OF HCHA REDEVELOPMENT AUTHORITY, INC., ON ITS OWN BEHALF AND AS SOLE MEMBER OF FENIX ESTATES I GP, LLC, AND SOLE MEMBER AND SOLE MANAGER OF FENIX ESTATES COMMERCIAL, LLC, AUTHORIZING THE SETTLEMENT OF CAUSE NO. 2017-71486, HUSSION STREET BUILDINGS LLC, V. HARRIS COUNTY HOUSING AUTHORITY PUBLIC FACILITY CORPORATION, ET AL.**

**WHEREAS**, Fenix Estates I, LP, is a limited partnership formed for the purpose of providing affordable housing for the residents of Harris County, Texas; and

**WHEREAS**, Fenix Estates I GP, LLC (**Fenix GP**) is a Texas limited liability company formed by HCHA Redevelopment Authority, Inc. (HCHA-RA) to serve as the General Partner of Fenix Estates I, LP, a Texas limited partnership; and

**WHEREAS**, Melissa Quijano is a Manager of **Fenix GP** and, as such, has the authority to act on behalf of **Fenix GP** as the General Partner of Fenix Estates I, LP; and

**WHEREAS**, Fenix Estates Commercial, LLC (**Fenix Commercial**), is a Texas limited liability company formed to assist Harris County Housing Authority (HCHA) in achieving its mission of providing affordable housing to the residents of Harris County Texas; and

**WHEREAS**, the Sole Member and Sole Manager of **Fenix Commercial** is Fenix Estates Commercial MM, LLC, a Texas limited liability company; and

**WHEREAS**, the Sole Member of Fenix Estates Commercial MM, LLC, is HCHA-RA, and as the sole Member, HCHA-RA has the authority to act on behalf of Fenix Estates Commercial MM, LLC, in its capacity as the Sole Member and Sole Manager of **Fenix Commercial**; and

**WHEREAS**, HCHA-RA, Fenix Estates I, LP, and **Fenix Commercial** are defendants in Cause No. 2017-71486, Hussion Street Buildings LLC, v. Harris County Housing Authority Public Facility Corporation, et al.; and

**WHEREAS**, Hussion Street Buildings, LLC owns real property and improvements located at 1901 Hussion Street, Houston, Harris County Texas (Plaintiffs or Hussion); and

**WHEREAS**, in September 2015 HCHA through its Development Partner (Fenix Estates) purchased a land site behind Hussion's property for the purpose of building an affordable housing project; and

**WHEREAS**, in May 2017 following the closing of the loan Fenix Estates contracted with Qualified Construction Inc., (Qualified) to provide General Contracting Services; and

**WHEREAS**, in October 2017 Hussion sent a demand notice to Qualified and HCHA-RA alleging that during construction its sewer line was cut; and

**WHEREAS**, on October 23, 2017, Hussion filed suit against Harris County Housing Authority Public Facility Corporation (Public), Harris County Housing Authority Redevelopment Authority, Inc., (HCHA-

RA) (“HCHA Affiliated Entities” or “HCHA”), and Qualified Construction, Inc., (Qualified) alleging damages via five different legal theories of recovery including Inverse Condemnation; and

**WHEREAS**, in February 2018 HCHA granted a five-foot sanitary sewer easement to Hussion on HCHA’s property for the sole purpose of constructing a new sewer line at HCHA’s cost to replace the damaged line; and

**WHEREAS**, in May 2018 HCHA notified Hussion of the completion of the new sewer line and that Hussion could connect the sewer line at will utilizing the easement granted by HCHA; and

**WHEREAS**, in September 2018 Hussion filed a third Amended Petition adding Fenix and Fenix Estates Commercial, LLC among others; and

**WHEREAS**, on October 24, 2018, Harris County Housing Authority (HCHA) filed an intervention in the Hussion suit to condemn the property; and

**WHEREAS**, in June 2019 the additional drainage work between 1901 Hussion and Fenix’s property along Coyle Street was completed; and

**WHEREAS**, Hussion added HCHA as a Defendant to the lawsuit on November 6, 2019; and

**WHEREAS**, HCHA dismissed its condemnation suit against Hussion on June 10, 2021; and

**WHEREAS**, the Court ordered the parties to mediation on October 18, 2021; and

**WHEREAS**, the parties attended mediation in July 2023 with a private mediator, and reached consensus on most material disputes save and except the mechanism to determine the viability of being able to connect the installed 2018 sewer line to Hussion’s sewer line at its exit point, thus no written agreement was entered into between the parties; and

**WHEREAS**, after mediation the parties continued to negotiate and in November 2023 HCHA contracted with a licensed plumber to identify Hussion’s sewer line exit point, excavated the site for the exposure of the exit point and the 2018 sewer line, installed a two-way cleanout, permitting for City inspection, and refill; and

**WHEREAS**, in December 2023 HCHA’s plumber excavated the site, identified the exit point from Hussion’s building, installed a two-way cleanout and connected Hussion’s sewer line to the 2018 sewer line located on HCHA’s property. Hussion also contracted a plumber who performed a camera inspection of the sewer line and alleged to have identified a “belly” in the sewer line; and

**WHEREAS**, in March 2024, after both parties completed visual and camera inspections of the sewer line and returned different or inconsistent findings, the parties agreed to request an after-hours City Inspection with the inclusion of an inline camera inspection of the sewer line and connection site. The City issued an orange ticket indicating that the site failed inspection but found no fault with the connection performed by HCHA’s plumbers; and

**WHEREAS**, in May 2024 the parties continued to negotiate a settlement of the suit and after addressing both parties concerns relative to connecting to the 2018 sewer line versus repairing or replacing the sewer line, the parties reached agreement on all terms of settlement; and

**WHEREAS**, on June 26, 2024, Harris County Housing Authority through its duly called and regularly scheduled meeting authorized through Resolution (24-23) the settlement and mutual release of all claims brought through Cause No. 2017-71486; and

**WHEREAS**, it is the parties' intent through this Resolution to settle the above numbered cause by mutual agreement and hereby request approval of such Settlement.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of HCHA Redevelopment Authority, Inc., that:

1. Melissa Quijano, as Secretary of HCHA Redevelopment Authority, Inc., is authorized to act on behalf of HCHA Redevelopment Authority, Inc., to negotiate to finality and execute the Settlement and Mutual Release of Claims with Hussion Street Buildings, LLC, (Plaintiff) regarding the settlement of a legal dispute between Plaintiff and HCHA Redevelopment Authority, Inc., under the terms presented to the Board of Directors of HCHA Redevelopment Authority, Inc., in Executive Session;
2. Melissa Quijano, as Manager of Fenix Estates I GP, LLC, is authorized to act on behalf of Fenix Estates I GP, LLC, as General Partner of Fenix Estates I, LP, to negotiate to finality and execute an Agreement of Settlement and Mutual Release of Claims with Hussion Street Buildings, LLC, (Plaintiff) regarding the settlement of a legal dispute between Plaintiff and Fenix Estates I, LP, under the terms presented to the Board of Directors of HCHA Redevelopment Authority, Inc., in Executive Session;
3. Melissa Quijano, as Secretary of HCHA Redevelopment Authority, Inc., is authorized to act on behalf of HCHA Redevelopment Authority, Inc., as the Sole Member of Fenix Estates Commercial MM, LLC, which acts on behalf of and as the Sole Member and Sole Manager of Fenix Estates Commercial, LLC, to negotiate to finality and execute an Agreement of Settlement and Mutual Release of Claims with Hussion Street Buildings, LLC, (Plaintiff) regarding the settlement of a legal dispute between Plaintiff and Fenix Estates Commercial, LLC, under the terms presented to the Board of Directors of HCHA Redevelopment Authority, Inc., in Executive Session; and
4. Melissa Quijano is further authorized to perform all acts necessary and appropriate to carry out the purposes of this resolution.

**PASSED** by the Board of Directors this 21st day of August 2024.

President: \_\_\_\_\_



Gerald Womack, President

Secretary: \_\_\_\_\_



Melissa Quijano, Secretary