



RESOLUTION NO. 23-03

RESOLUTION OF HARRIS COUNTY HOUSING AUTHORITY APPROVING THE ACTION OF HCHA REDEVELOPMENT AUTHORITY, INC., AS SOLE MEMBER OF HCHA NORTHWOOD GP, LLC, AUTHORIZING SETTLEMENT WITH LDG DEVELOPMENT, LLC, LDG MULTIFAMILY, LLC, LDG CHANNELVIEW SLP, LLC, LDG NORTHWOOD SLP, LLC, AND XPERT DESIGN AND CONSTRUCTION, LLC, OF THE DISPUTE ARISING OVER SUBSTITUTION OF COUNTERTOP MATERIALS FOR THE HOLLOWS AND NORTHWOOD AFFORDABLE HOUSING DEVELOPMENTS

WHEREAS, HCHA Redevelopment Authority, Inc., (HCHA-RA) is a Texas nonprofit corporation formed by Harris County Housing Authority (HCHA) to serve its mission of providing affordable housing to low- and moderate-income individuals and families; and

WHEREAS, for the purpose of constructing the affordable housing development to be located at 2212 Dell Dale St., Houston, Texas, and known as The Hollows Apartments, HCHA-RA formed HCHA Channelview GP, LLC, a Texas limited liability company, to serve as the general partner of LDG Channelview, LP, a Texas limited partnership (The Hollows Partnership); and

WHEREAS, LDG Development, LLC, formed LDG Channelview SLP, LLC, for the purpose of serving as a special limited partner in The Hollows Partnership and aiding in construction of The Hollows Apartments; and

WHEREAS, for the purpose of constructing the affordable housing development to be located at 12620 Eastex Freeway, Houston, Texas, and known as Northwood Apartments, HCHA-RA formed HCHA Northwood GP, LLC, a Texas limited liability company, to serve as the general partner of LDG Northwood, LP, a Texas limited partnership (Northwood Partnership); and

WHEREAS, LDG Development, LLC, formed LDG Northwood SLP, LLC, for the purpose of serving as a special limited partner in the Northwood Partnership and aiding in construction of Northwood Apartments; and

WHEREAS, LDG Multifamily, LLC, was retained by both limited partnerships to provide development services, and HCHA-RA retained Xpert Design and Construction, LLC, an affiliate of LDG Development, LLC, to serve as the Prime Subcontractor for both developments; and

WHEREAS, during construction of The Hollows Apartments and Northwood Apartments, a dispute between the entities affiliated with LDG Development, LLC, on the one side, and the entities affiliated with HCHA, on the other side, arose over the material used in the countertops installed or to be installed in the apartment units; and

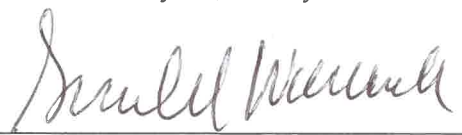
WHEREAS, the dispute threatened to impede completion of The Hollows Apartments and Northwood Apartments and to avoid that problem, the parties negotiated a settlement under which, among other agreements, granite countertops will be installed in 256 out of 288 units in Northwood Apartments, the plastic laminate countertops now installed in 32 of those units will be replaced as the units become vacant, the plastic laminate countertops installed in The Hollows will eventually be replaced with granite countertops, and the parties will cooperate in the issuance of a supplemental bond by Harris County Housing Authority Public Facility Corporation; and

WHEREAS, HCHA's staff have recommended that HCHA, and HCHA-RA, for itself and as the sole member of HCHA Channelview GP, LLC, and as the sole member of HCHA Northwood GP, LLC, accept the terms of the settlement negotiated between the parties, the full terms of which are set forth in the Agreement of Settlement and Mutual Release of Claims (Settlement Agreement), a copy of which is attached to this resolution;

NOW, THEREFORE, BE IT RESOLVED, that after considering the terms of the Settlement Agreement and the recommendations of HCHA's staff, HCHA's Board of Commissioners hereby authorizes and empowers HCHA-RA, acting through Melissa Quijano, as Vice President and Secretary of HCHA-RA, as the sole member and on behalf of HCHA Northwood GP, LLC, to enter into the settlement of the dispute with LDG Development, LLC, LDG Multifamily, LLC, LDG Channelview SLP, LLC, LDG Northwood SLP, LLC, and Xpert Design and Construction, LLC, under the terms of the Settlement Agreement; and

BE IT FURTHER RESOLVED, that Melissa Quijano, as Vice President and Secretary of HCHA-RA, as the sole member and on behalf of HCHA Northwood GP, LLC, is authorized to take all other actions she deems reasonable, necessary, or appropriate for HCHA Northwood GP, LLC's performance under the terms of the Settlement Agreement.

PASSED by the Board of Commissioners on this 11th day of January 2023.

Chair: 

Acting Secretary: 