



HOUSTON
HOUSING AUTHORITY

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MEMORANDUM

TO: BOARD OF COMMISSIONERS
FROM: TORY GUNSOLLEY, PRESIDENT & CEO
SUBJECT: DELIBERATE POSSIBLE RATIFICATION OF RESOLUTION NOS. 3074 AND 3117 ACQUISITION OF THE 800 MIDDLE STREET APARTMENTS SITE
DATE: DECEMBER 13, 2019

This memorandum recommends that the Houston Housing Authority (“HHA”) Board of Commissioners ratify Resolutions 3074 and 3117 which authorize the President and CEO to: (i) negotiate with The NRP Group (“NRP”) for the finalization of a memorandum of understanding and a purchase contract assignment for the EADO 800 Apartments site (the “Property”); and (ii) upon finalization of the documents, proceed with the acquisition of Property on behalf of HHA, and all actions previously taken pursuant to the same.

BACKGROUND

A lawsuit was filed on November 19, 2019 that alleged that the HHA had not provided enough detail in its public posting. The plaintiff was granted a temporary restraining order (TRO) that prevents HHA from taking any further action on certain resolutions. However, the TRO “is not intended to prohibit or enjoin the HHA from taking any action to ratify or cure any alleged Texas Open Meetings Act violations”. The TRO has since expired. On December 11, 2019, the plaintiff amended his lawsuit to allege that the HHA had attached a legal description to memorandums provided in support of Resolutions 3074 and 3117 for only one of three tracts that the Board previously granted authorization for negotiation and purchase. This recommended ratification seeks to cure any alleged deficiencies in the previous public postings and to clarify the Board authorization for acquisition of all three tracts.

The Board has previously authorized the President and CEO to negotiate and execute a Memorandum of Understanding (“MOU”) with NRP for the development in East Downtown pursuant to Resolution No. 2957 dated March 27, 2018. The Board further designated NRP as the developer of the property subject to the negotiation of a mutually agreeable development agreement pursuant to Resolution No. 3063 dated June 17th, 2019. The subject property included three tracts at the aforementioned location, including a 21.680-acre tract, a 5.12-acre tract, and a 1.7-acre tract (“the Property”).

The HHA has been in negotiations with TXDOT for the replacement of Clayton Homes, which TXDOT would like to purchase in connection with a major TXDOT project. The Property is very close to Clayton Homes and offers an excellent opportunity to provide affordable housing in the same area as Clayton. There are no other tracts this size currently for sale in the nearby area.



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Given the current deadlines pursuant to the Purchase Contract, NRP proposed that the Purchase Contract be assigned to HHA so that that HHA can proceed to acquire the Property prior to the expiration of the Purchase Contract.

RECOMMENDATION

Accordingly, I recommend that the Board considers this resolution, which states:

Resolution: That the Houston Housing Authority Board of Commissioners ratify Resolution No. 3074 and 3117 and all actions previously taken pursuant to the same, pursuant to the memorandum dated December 13, 2019 to the Board of Commissioners from Tory Gunsolley, President & CEO.