

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
THE WATERS AT WILLOW RUN, LP WITH	§	TEXAS DEPARTMENT OF
RESPECT TO WATERS AT WILLOW RUN	§	HOUSING AND COMMUNITY
(HTC 13600 / BOND 13600B / CMTS 4888)	§	AFFAIRS
	§	

### **AGREED FINAL ORDER**

#### **General Remarks and official action taken:**

On this 12<sup>th</sup> day of June, 2025, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **THE WATERS AT WILLOW RUN, LP**, a Texas limited partnership (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

### **WAIVER**

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

### **FINDINGS OF FACT (FOF)**

#### **Jurisdiction:**

1. During 2013, Respondent received an allocation of 4% Low Income Housing Tax Credits and multifamily housing revenue bonds to build and operate Waters at Willow Run (HTC 13600 / Bond 13600B / CMTS 4888) (Property).
2. Respondent signed two land use restriction agreements (collectively, the LURAs) regarding the Property:

- a. In connection with the tax credit funding, Respondent signed a Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits (HTC LURA) regarding the Property. The HTC LURA was dated as of September 20, 2016, filed of record at Document Number 2016203029 of the Official Public Records of Real Property of Travis County, Texas (the Travis County Records), and also filed of record at Document Number 2016114860 of the Official Public Records of Real Property of Williamson County, Texas (the Williamson County Records); and
  - b. In connection with the Bond funding, Respondent signed a Regulatory and Land Use Restriction Agreement (Bond LURA) regarding the Property. The Bond LURA was dated as of September 1, 2013, filed of record at Document Number 2013174710 of the Travis County Records, and also filed of record at Document Number 2013090897 of the Williamson County Records.
3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations<sup>1</sup>:

4. The Department conducted an on-site monitoring review on September 4, 2024, to determine whether Respondent was in compliance with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility. TDHCA compliance monitors found violations of the LURA and TDHCA rules. The monitors sent notifications of noncompliance, setting a corrective action deadline of January 6, 2025. Respondent did not submit any corrective documentation, and the following violations were referred for an administrative penalty:
  - a. Respondent failed to submit pre-onsite documentation, including a monitor review questionnaire, a violation of 10 TAC §10.607 (Reporting Requirements) and §10.618 (Monitoring and Inspections), which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review. Acceptable corrective documentation was submitted on March 24, 2025, after intervention by the Enforcement Committee.
  - b. Respondent failed to provide evidence that eight points of required supportive services were being provided, a violation of Addendum B of the HTC LURA and 10 TAC §10.619 (Monitoring for Social Services). Acceptable corrective documentation was submitted on April 27, 2025, after intervention by the Enforcement Committee.
  - c. Respondent failed to provide a Tenant Rights and Resources Guide for units 733, 1025, 1226, and 1314, a violation of 10 TAC §10.613 (Lease Requirements),

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<sup>1</sup> Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

which requires owners to post a laminated copy of the Guide in a common area of the leasing office and provide a copy to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services. This violation was corrected on March 28, 2025, after intervention by the Enforcement Committee.

- d. Respondent failed to provide an Annual Eligibility Certification for units 1025 and 1314, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household. This violation was corrected on March 28, 2025, after intervention by the Enforcement Committee.
  - e. Respondent failed provide a complete Tenant Income Certification form for unit 724 at initial occupancy, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income), Section 4 of the HTC LURA, and Section 4 of the Bond LURA, which require screening of tenants to ensure qualification for the program at initial occupancy. This violation was corrected on March 28, 2025, after intervention by the Enforcement Committee.
5. All violations listed above are considered resolved at the time of this Order.

#### **CONCLUSIONS OF LAW**

- 1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.
- 2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
- 3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
- 4. Pursuant to Tex. Gov't Code Chapter 2306, Subchapter DD and Tex. Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance.
- 5. Respondent violated 10 TAC §10.607 and §10.618 in 2024, by not submitting pre-onsite documentation in preparation for the monitoring review.
- 6. Respondent violated 10 TAC §10.619 and Addendum B of the HTC LURA in 2024, by failing to provide evidence that eight points of required supportive services were being provided.

7. Respondent violated leasing requirements in 10 TAC §10.613 in 2024, by failing to provide a Tenant Rights and Resources Guide to four households and have the households sign acknowledgment forms.
8. Respondent violated 10 TAC §10.612 in 2024, by failing to collect an Annual Eligibility Certification for one household.
9. Respondent violated 10 TAC §10.611, Section 4 of the HTC LURA, and Section 4 of the Bond LURA, in 2024, by failing to provide a tenant income certification and documentation to ensure qualification for the program for one household.
10. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.
11. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
12. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.
13. An administrative penalty of \$5,400.00 is an appropriate penalty in accordance with 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

**IT IS HEREBY ORDERED** that Respondent is assessed an administrative penalty in the amount of \$5,400.00.

**IT IS FURTHER ORDERED** that Respondent shall pay and is hereby directed to pay the \$5,400.00 administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before July 14, 2025, to the following address:

<b>If via overnight mail (FedEx, UPS):</b>	<b>If via USPS:</b>
TDHCA Attn: Ysella Kaseman 221 E 11 <sup>th</sup> St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

**IT IS FURTHER ORDERED** that Respondent shall follow the requirements of 10 TAC §10.406, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

**IT IS FURTHER ORDERED** that the terms of this Agreed Final Order shall be published on the TDHCA website.

*[Remainder of page intentionally blank]*

*Approved by the Governing Board of TDHCA on June 12th, 2025.*

By: /s/ Leo Vasquez  
Name: Leo Vasquez  
Title: Chair of the Board of TDHCA

By: /s/ James "Beau" Eccles  
Name: James "Beau" Eccles  
Title: Secretary of the Board of TDHCA

**THE STATE OF TEXAS §**  
**§**  
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 12<sup>th</sup> day of June, 2025, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis  
Notary Public, State of Texas

**THE STATE OF TEXAS §**  
**§**  
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 12<sup>th</sup> day of June, 2025, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis  
Notary Public, State of Texas



Given under my hand and seal of office this 2<sup>nd</sup> day of July, 2025.

/s/ Tina Jones  
Signature of Notary Public

Tina Jones  
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

My Commission Expires: April 29, 2028