

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
COMMUNITY SERVICES AGENCY OF SOUTH	§	TEXAS DEPARTMENT OF
TEXAS WITH RESPECT TO	§	HOUSING AND COMMUNITY
VILLA DE REPOSO ENCINAL	§	AFFAIRS
(HOME 530201 / CMTS 4002)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 4th day of September, 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 **COMMUNITY SERVICES AGENCY OF SOUTH TEXAS**, a Texas nonprofit corporation (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 2002, Respondent received a HOME loan to build and operate Villa de Reposo Encinal (HOME 530201 / CMTS 4002) (the Property).
2. Respondent signed a Land Use Restriction Agreement (LURA) regarding the Property. The LURA was effective March 31, 2003, and filed of record at Volume 433, Page 24 of

the Official Public Records of Real Property of LaSalle County, Texas (Records), thereafter re-recorded to correct the legal description at Volume 434, Page 150 of the Records; as amended by a First Amendment executed on May 30, 2007, and filed in the Records at Volume 463, Page 423 of the Records; as amended by a Second Amendment effective as of December 5, 2011, and filed in the Records at Document Number 94655 of the Records.

3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

4. Respondent has a history of violations and previously signed three Agreed Final Orders:
 - a. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on May 5, 2016, agreeing to pay a \$1,000.00 administrative penalty, which was to be fully forgivable if Respondent submitted corrective documentation as required by the Order. Respondent violated the Agreed Final Order and paid the full \$1000.00 administrative penalty as required.
 - b. Regarding Villa de Reposo Encinal (HOME 530201 / CMTS 4002): Agreed Final Order signed on August 5, 2019, agreeing to pay a \$5,000.00 administrative penalty, of which \$1,000.00 was paid at signing, and the remainder was forgiven when Respondent attended HOME Compliance Training.
 - c. Regarding Villa de Reposo San Luis Asherton (HOME 539110 / CMTS 2730): Agreed Final Order signed on February 9, 2023, agreeing to pay a \$7,500.00 administrative penalty, of which \$3,500.00 was paid at signing, and the remainder was forgiven when complete corrections were submitted as required by the Agreed Final Order.
5. The Department conducted an on-site file monitoring review on November 20, 2024, to determine whether Respondent complied with LURA requirements to lease units to low-income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. The Department issued a notification of noncompliance setting a corrective action deadline of March 20, 2025. Respondent timely submitted corrective documentation, but it was incomplete. The Department provided a 10-day grace period expiring May 16, 2025. The following violations were not resolved before the deadline, and were referred for an administrative penalty:
 - a. Respondent failed to provide tenant income certification documentation for unit 202 when the annual tenant self-certification came due on December 15, 2022, a violation of 10 TAC §10.612(c) (Tenant File Requirements). 10 TAC §10.612(c)

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refer 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.

requires HOME Developments to complete a recertification with verifications of each HOME assisted unit every sixth year of the Development's affordability period. In the intervening years, the Development must annually collect a self-certification of the household composition, income, and assets using the Department's Income Certification form. Respondent did not collect the intervening year self-certification for 2022. The household moved out June 30, 2023, and the unit remains vacant to date. This is a repeated violation type for Respondent, with violations of the same type previously included in the Agreed Final Order from 2023.

- b. Respondent failed to certify the household in unit 300 at initial occupancy, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.4 of the LURA, which require screening of tenants to ensure qualification for the program. The household file did not include an application, verifications, or an executed income certification. The household moved out January 1, 2019, and the unit remains vacant to date.
 - c. Respondent failed to certify the household in unit 400 at initial occupancy, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.4 of the LURA, which require screening of tenants to ensure qualification for the program. The household file did not include an application, verifications, or an executed income certification. The household moved out January 8, 2025, and the unit remains vacant to date.
6. The following violations remain outstanding at the time of this order:
- a. Tenant income certification violation described in FOF #5.a;
 - b. And household income certification violations described in FOF # 5.b and 5.c.

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. The Department is required to monitor for compliance with all program requirements pursuant to Tex. Gov't Code §2306.185.
4. Respondent violated 10 TAC §10.612, by failing to provide a tenant self-certification for unit 202.
5. Respondent violated 10 TAC §10.611, by failing to certify the households in units 300 and 400 at initial occupancy.

6. 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.
7. 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.
8. 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.
9. An administrative penalty of \$2,250.00 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 \$2,250.00.

IT IS FURTHER ORDERED that the Department shall issue a previously negotiated loan modification and the associated LURA amendment to Respondent in October 2025, which Respondent shall sign, have recorded in the Records, and return to TDHCA within fourteen days of issuance by TDHCA staff.

IT IS FURTHER ORDERED that Respondent shall submit the following documents for review by TDHCA staff on or before October 15, 2025. The Department may, but is not required, to provide comments and feedback.

1. Traffic reports reflecting why prospective tenants are not moving into this property. Include names of the prospective applicants, the date they expressed interest, and why they are not moving into the property.
2. Copies of market surveys of other properties in the area, and rental analysis regarding the Property in order to determine appropriate rent amounts.
3. Copies of proposed marketing materials, and details regarding how marketing will be conducted. Include a copy of the property's Affirmative Marketing Plan. For details regarding how to prepare the Affirmative Marketing Plan, see the Fair Housing Presentations section of <https://www.tdhca.texas.gov/programs/fair-housing-program>

for training webinars, and use the <https://www.tdhca.texas.gov/MF-Affirmative-Marketing-Tool>.

4. Copy of the property's Written Policies and Procedures. For details regarding how to prepare these policies, see [10 TAC §10.802](#) and the "TDHCA Written Policies and Procedures / Tenant Selection Criteria Checklist" under "TDHCA Fair Housing Forms and Tools" at <https://www.tdhca.texas.gov/fair-housing-toolkits-sample-forms-and-downloads>.

IT IS FURTHER ORDERED that Respondent shall implement the above-referenced marketing campaign and rent reductions on or before November 14, 2025, in order to attract new qualified households.

IT IS FURTHER ORDERED that Respondent shall submit quarterly vacancy reports via CMTS on October 10, 2025, January 10, 2026, and April 10, 2026.

IT IS FURTHER ORDERED that Respondent shall submit updated traffic reports and marketing summaries for each quarter via CMTS upload, due on October 10, 2025, January 10, 2026, and April 10, 2026.

IT IS FURTHER ORDERED that if occupancy does not improve to 90% by April 10, 2026, Respondent may submit a written material LURA amendment request on or before June 1, 2026, asking the Department to consider removal of restrictions limiting occupancy to elderly households. Said written material LURA amendment request, if submitted, must include a current Unit Status Report, and all material LURA amendment request requirements listed in the Post Award Activities Guidance and Manual at <https://www.tdhca.texas.gov/post-award-activities-manual>.

IT IS FURTHER ORDERED that the standard \$2,500.00 processing fee associated with material LURA amendment requests per 10 TAC §11.901(10), shall be waived if Respondent complies with the above requirements under this Agreed Final Order.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the \$2,250.00 administrative penalty by check payable to the Texas Department of Housing and Community Affairs on or before July 1, 2026, to the following address:

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

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before July 1, 2026.

IT IS FURTHER ORDERED that if complete corrective documentation is submitted as directed in this Order, the TDHCA Executive Director may, but is not required to, waive payment of the \$2,250.00 administrative penalty.

IT IS FURTHER ORDERED that Respondent shall be considered to be in violation of the terms of this Agreed Final Order if it fails to timely pay the \$2,250.00 administrative penalty and/or fails to submit complete and timely corrective documentation as indicated in the exhibits on or before July 1, 2026.

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.

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Approved by the Governing Board of TDHCA on September 4, 2025.

By: /s/ Leo Vasquez

Name: Leo Vasquez

Title: Chair of the Board of TDHCA

By: /s/ Michael Lyttle

Name: Michael Lyttle

Title: Assistant Secretary to the Board of TDHCA

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 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 §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 4th day of September, 2025, personally appeared Michael Lyttle, 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

Exhibit 1

File Monitoring Violation Instructions

To correct the noncompliance for vacant units 202, 300, and 400, occupy the units with qualified households and submit complete tenant files.

A complete tenant file at initial occupancy will include all of the following components:

1. Intake Application
2. Verifications:
 - a. Verify all sources of income and assets, using third party or first-hand documentation
 - b. Verify student status
 - c. Special Needs Certification (if applicable)
 - d. Elderly Verification (no specific form, but must verify age qualification)
3. Income Certification form
4. Lease and lease addenda, including required TDHCA language
5. Tenant Rights and Resources Guide Acknowledgment

Remember that items 1 through 3 above must all be dated within 120 days of one another. See page 6 of this [technical support guide](#) for more information about each item listed above.

Technical Support regarding income certification requirements:

Training:

- Watch TDHCA's Multifamily Direct Loan Training (MFDL) Webinar at this link, which includes information regarding income and rent limits, eligibility, and recertifications <https://www.youtube.com/watch?v=ekacmp79f64&feature=youtu.be>
- The associated training handout is at: <https://www.tdhca.texas.gov/sites/default/files/multifamily/docs/20-MFDL-Training.pdf>
- Other trainings are available at: <https://www.tdhca.texas.gov/compliance-program-training-presentations>