

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
LIH WALNUT CREEK AUSTIN LP AND	§	TEXAS DEPARTMENT OF
LIH FOREST CREEK PRESERVATION, LP	§	HOUSING AND COMMUNITY
WITH RESPECT TO WALNUT CREEK	§	AFFAIRS
(HTC 00024T / HTC 18420 / CMTS 59) AND	§	
FOREST CREEK (HTC 22422 / CMTS 5861)	§	

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 **LIH WALNUT CREEK AUSTIN LP**, a Texas limited partnership (Walnut Creek Owner), and **LIH FOREST CREEK PRESERVATION, LP**, a Texas limited partnership (Forest Creek Owner), (to be collectively known as Respondents).

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 Respondents agree to resolve this matter by this Agreed Final Order. The Respondents 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

Respondents 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 Respondents waive those rights and acknowledge the jurisdiction of the Board over Respondents.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2000, Springdale Apartments, L.P. (Prior Owner) was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Walnut Creek (HTC 00024T / CMTS 59).
2. During 2018, Walnut Creek Owner was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Walnut Creek (HTC 18420 / CMTS 59).
3. During 2022, Forest Creek Owner was awarded an allocation of Low Income Housing Tax Credits by the Board to rehabilitate and operate Forest Creek (HTC 22422/ CMTS 5861).
4. The properties are subject to the following land use restriction agreements (LURAs):
 - a. Walnut Creek HTC LURA 00024T: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective September 4, 2001, and filed of record on December 04, 2001, at Document Number 2001203091 of the Official Records of Real Property of Travis County, Texas.
 - b. Walnut Creek HTC LURA 18420: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective December 3, 2019, and filed of record on December 27, 2019, at Document Number 2019203934 of the Official Records of Real Property of Travis County, Texas.
 - c. Forest Creek HTC LURA 22422: Declaration of Land Use Restrictive Covenants Land Use Restriction Agreement for Low Income Housing Tax Credits effective May 30, 2023, and filed of record on July 24, 2023, at Document Number 202310442 of the Official Records of Real Property of Gregg County, Texas.
5. Respondents are subject to the regulatory authority of TDHCA.

Compliance Violations¹:

6. The Department conducted a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection at Walnut Creek on November 5, 2024. The inspection report at Exhibit 1 showed numerous property condition violations, a violation of 10 TAC §

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.

10.621 (Property Condition Standards). The Department issued a notification of noncompliance setting a corrective action deadline that was extended through April 6, 2025, but Walnut Creek Owner failed to submit complete corrections and the TDHCA Compliance Division referred the unresolved noncompliance for an administrative penalty. Further corrective documentation was received on May 15, 2025 and July 28, 2025, after intervention by the Enforcement Committee.

7. The Department conducted a file monitoring review at Forest Creek on December 11, 2024, to determine whether the development was in compliance 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 16, 2025, but Respondents failed to submit corrections and the TDHCA Compliance Division referred the following noncompliance for an administrative penalty:
 - a. Forest Creek Owner failed to provide evidence that required supportive services were being provided, a violation of Addendum B of the Forest Creek HTC LURA and 10 TAC §10.619 (Monitoring for Social Services). Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
 - b. Forest Creek Owner failed to provide a Tenant Rights and Resources Guide and get a signed Acknowledgment for units 1-103, 1-108, 1-115, 2-201, 2-207, 2-210, 2-215, 3-302, 4-402, 5-503 and 8-807, a violation of 10 TAC §10.613 (Lease Requirements), which requires owners to provide a copy of the guide to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services. Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
 - c. Although leases were in place, Forest Creek Owner failed to execute required lease provisions or exclude prohibited lease language for units 1-108, 1-115, 2-201, 2-207, 2-215, 3-302, 3-309, 3-314, 4-402, 4-406, 4-413, 4-415, 5-506, 5-510, 6-605, 6-607, 7-701, 7-708, 8-804 and 8-807, a violation of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process. Acceptable corrective documentation was submitted on May 15, 2025, after intervention by the Enforcement Committee.
8. 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. Respondents are housing sponsors, 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. Pursuant to 10 TAC §10.621(a), TDHCA has adopted HUD's NSPIRE protocol as the standard for its physical inspections.
6. Walnut Creek Owner violated 10 TAC §10.621 at Walnut Creek in 2024 and I.R.C. §42, as amended, by failing to comply with NSPIRE requirements when major violations were discovered and not timely corrected.
7. Forest Creek Owner violated Addendum B of the Forest Creek LURA and 10 TAC §10.619 in 2024, by failing to provide required supportive services.
8. Forest Creek Owner violated leasing requirements at Forest Creek in 10 TAC §10.613 in 2024, by failing to provide a Tenant Rights and Resources Guide for units 1-103, 1-108, 1-115, 2-201, 2-207, 2-210, 2-215, 3-302, 4-402, 5-503 and 8-807, and have the households sign an acknowledgment form.
9. Forest Creek Owner violated leasing requirements at Forest Creek in 10 TAC §10.613 in 2024, by failing to execute required lease provisions or exclude prohibited lease language for units 1-108, 1-115, 2-201, 2-207, 2-215, 3-302, 3-309, 3-314, 4-402, 4-406, 4-413, 4-415, 5-506, 5-510, 6-605, 6-607, 7-701, 7-708, 8-804 and 8-807.
10. Because Respondents are housing sponsors with respect to the properties, and have violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondents pursuant to Tex. Gov't Code §2306.041 and Tex. Gov't Code §2306.267.
11. Because Respondents are housing sponsors, TDHCA may order Respondents 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 Respondents and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

12. Because Respondents have violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and have violated agreements with the Agency to which Respondents are a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.
13. A collective administrative penalty of \$3,500.00 is an appropriate penalty in accordance with 10 TAC Chapter 2, with a \$1,500.00 portion allocated to Walnut Creek, and the remaining \$2,000.00 portion allocated to Forest Creek.

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 Respondents are assessed a collective administrative penalty in the amount of \$3,500.00.

IT IS FURTHER ORDERED that Respondents shall pay and are hereby directed to pay the \$3,500.00 administrative penalty by check payable to the Texas Department of Housing and Community Affairs on or before October 6, 2025, 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 Respondents shall follow the requirements of [10 TAC §10.406](#), and obtain approval from the Department prior to consummating a sale of the properties, 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 §

§

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 §

§

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

STATE OF TEXAS _____ §

COUNTY OF _____ §

BEFORE ME, _____ (*notary name*), a notary public in and for the State of _____, on this day personally appeared Jacob Levy, known to me or proven to me through ~~circle one: personally known / driver's license / passport~~ 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, who being by me duly sworn, deposed as follows: See Attached

1. My name is Jacob Levy, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative for Respondent, LIH Walnut Creek Austin LP, owner of Walnut Creek, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
3. The Taxpayer ID for LIH Walnut Creek Austin LP is [REDACTED].
4. The mailing address for LIH Walnut Creek Austin LP is [REDACTED].
5. LIH Walnut Creek Austin LP knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs.

LIH WALNUT CREEK AUSTIN LP, a Texas limited partnership

LIH WALNUT CREEK GP, LLC, a Texas limited liability company, its general partner

By: /s/ Jacob Levy

Name: Jacob Levy

Title: Manager

Given under my hand and seal of office this _____ day of _____, 2025.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

See attached

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

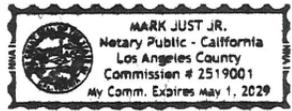
On September 9, 2025 before me, Mark Just, Notary Public
(insert name and title of the officer)

personally appeared Jacob Levy,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Mark Just (Seal)



STATE OF TEXAS _____ §

COUNTY OF _____ §

BEFORE ME, _____ (*notary name*), a notary public in and for the State of _____, on this day personally appeared Jacob Levy, known to me or proven to me through circle one: personally known / driver's license / passport 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, who being by me duly sworn, deposed as follows: see attached

1. My name is Jacob Levy, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I am an authorized representative for Respondent, LIH Forest Creek Preservation, LP, owner of Forest Creek, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized to execute this document.
3. The Taxpayer ID for LIH Forest Creek Preservation, LP is [REDACTED].
4. The mailing address for LIH Forest Creek Preservation, LP is [REDACTED].
5. LIH Forest Creek Preservation, LP knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs.

LIH FOREST CREEK PRESERVATION, LP, a Texas limited partnership

LIH FOREST CREEK SLP, LLC, a Texas limited liability company, its Class B limited partner

LEDG CAPITAL, LLC, a Nevada limited liability company, its managing member

By: /s/ Jacob Levy
Name: Jacob Levy
Title: Co-Manager

Given under my hand and seal of office this _____ day of _____, 2025.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On September 9, 2025 before me, Mark Just, Notary Public
(insert name and title of the officer)

personally appeared Jacob Levy,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Mark Just* (Seal)



Given under my hand and seal of office this 10th day of September, 2025.

/s/ Christina C. Cole
Signature of Notary Public

Christina C. Cole
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF SOUTH CAROLINA

My Commission Expires: 9-22-2032

Exhibit 1

NSPIRE Inspection Report for Walnut Creek
(see attached)

Red highlighted lines were not timely corrected and were referred for an administrative penalty.

Bldg	Apt	Location	Item	Result	Notes	Severity Level	Date Completed	Completed By
1		Grounds	Fence/Gate – Security	Gate will not close	Main vehicle gate doesn't work	Mod	6/15/2025	Integrity Gates
1		Grounds	Fence/Gate – Security	Gate will not close	Doesn't latch	Mod	6/15/2025	Integrity Gates
2		Grounds	Fence/Gate – Security	Gate will not close	Second vehicle gate doesn't work	Mod	6/15/2025	Integrity Gates
5		Main Entry	Light Fixtures (Exterior)	A permanently installed light fixture is not secure/loose	Wall light on breezeway stairs to unit 235	Mod	1/16/2025	Milton Galvez
7		Side of Building	Roof Drain/Ponding	Gutter component is missing		Mod	1/16/2025	Able Cardenas
2	111	Kitchen	Conductors, Outlets, Switches	Electric outlet inoperable (no visible damage)		Severe	11/5/2024	Able Cardenas
2	111	Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		Mod	1/16/2025	Milton Galvez
2	115	Laundry Room	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested		LT	11/5/2024	Able Cardenas
2	214	Bathroom 1	Bathtub/Shower	Bath/shower pan or basin damaged, missing, or inoperable	Tub surface peeling	Mod	1/16/2025	Milton Galvez
3	122	Kitchen	Ventilation/Exhaust	Exhaust system does not respond to control switch		Mod	1/16/2025	Milton Galvez
3	223	Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		Mod	1/16/2025	Milton Galvez
4	126	Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		Mod	4/8/2025	Davis Const.
4	126	Bathroom 1	Sharp Edges	Any item or component has a sharp edge that can puncture or cut		Severe	11/5/2024	Able Cardenas
4	126	Bathroom 1	Wall Covering and Finish – Interior	Interior wall has hole greater than 2in.		Mod	4/8/2025	Davis Const.
4	126	Bedroom 1	Smoke Alarms	Smoke alarm not installed in a sleeping room		LT	11/5/2024	Able Cardenas
4	126	Dining Room	Conductors, Outlets, Switches	Exposed electrical conductor		LT	11/5/2024	Able Cardenas
4	126	Dining Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Countertop	10%+ or more of the Countertop is damaged or has exposed substrate		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Mold-Like Substances	Moisture damage on a surface from 1 to 9 S.F. (Units)	Kitchen vliset	Severe	11/5/2024	Able Cardenas
4	126	Kitchen	Refrigerator	Refrigerator is missing		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Ventilation/Exhaust	Exhaust system does not respond to control switch		Mod	4/8/2025	Davis Const.
4	126	Kitchen	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Laundry Room	Smoke Alarms	Smoke alarm not installed outside a sleeping room		LT	11/5/2024	Able Cardenas

4	126	Living Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
4	126	Living Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		Mod	4/8/2025	Davis Const.
5	134	Kitchen	Cooking Appliance	A Stove Burner is Inoperable (with at least one operable burner)	Front right	Mod	1/16/2025	Milton Galvez
7	142	Bathroom 1	Exhaust System	Bathroom ventilation system is inoperable		Mod	1/16/2025	Milton Galvez
7	142	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm within 4in. of a ceiling		LT	11/5/2024	Able Cardenas
7	142	Bedroom 3	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Milton Galvez
7	142	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
7	241	Bathroom 1	Sink	Sink is clogged/not draining		Mod	1/16/2025	Milton Galvez
7	241	Bedroom 1	Door – General	A passage door component is damaged/missing/inoperable	Door missing	Low	1/16/2025	Milton Galvez
7	241	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/6/2024	Able Cardenas
7	241	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
8	145	Bathroom (Half)	Exhaust System	Bathroom ventilation system is inoperable		Mod	1/16/2025	Milton Galvez
8	145	Bedroom 1	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Able Cardenas
8	145	Kitchen	Refrigerator	Refrigerator door seal is damaged		Mod	1/16/2025	Milton Galvez
8	246	Bathroom 1	Sink	Sink is clogged/not draining		Mod	1/16/2025	Milton Galvez
9	250	Bedroom 2	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested		LT	11/5/2024	Able Cardenas
9	250	Bedroom 2	Smoke Alarms	Wall-mounted smoke alarm more than 12in. from a ceiling		LT	11/5/2024	Able Cardenas
9	250	Kitchen	Fire Extinguisher	The fire extinguisher tag is missing or illegible		LT	1/16/2024	Milton Galvez